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Corporate Japan advances into Asia
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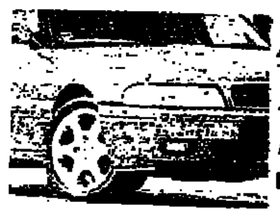

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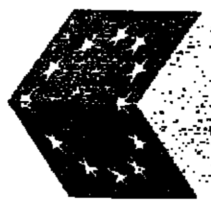

European cartel
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Confessions of a temporary sports writer

FINANCIAL TIMES

Europe's Business Newspaper — FRIDAY JULY 15 1994 — D8523A

Milan magistrates quit over decree to curb their powers

The entire team of Milan magistrates largely responsible for bringing down the postwar political system in Italy through their corruption probe resigned in protest at a decree reducing their powers of preventive detention. It was not clear whether the magistrates' move – which could be followed by similar resignations round the country – was simply designed to put pressure on the two month-old Berlusconi government to change its mind. Page 14

UK axes defence jobs: Britain announced it is to axe more than 18,000 defence establishment jobs, but softened the blow by detailing orders for new weapons worth about £5bn. Page 14; Details, Page 7; Editorial Comment, Page 13

China to import 'quality' films: China is to allow its cinemas to screen foreign films and to share profits with producers. However, only about 10 "excellent" new films would be accepted for screening each year. Page 14; China slows economy but watches for unrest, Page 6; Huaneng group's appetite for foreign cash, Page 19

Chrysler announced record profits for the second consecutive quarter, boosting evidence of a robust recovery in the US automobile industry. Page 15

Bloomingdale's and Macy's, two of the big names in US retailing, are to be brought together in a $4.1bn deal that will create the country's biggest department store group. Page 15; US retail sales up by 0.6% in June, Page 5

Chicago Pizza Pie man Bob Payton dies

New York-born Bob Payton, who established the American food chain which includes the Chicago Pizza Pie factory and Henry J Beans, has died in a car accident in Leicestershire, England. Mr Payton's My Kinda Town group went public in May this year, by which time he had built a small empire of 30 restaurants in cities including London, Paris, Tel Aviv, Buenos Aires, Brussels and Barcelona. Obituary, Page 21

Olivetti, the Italian computers group, has agreed to sell the financial holding company of its Triumph Adler office products subsidiary in Germany to a consortium of German banks and investors for an unspecified sum. Page 15

Trade deadlock warning: Trade negotiations between the US and Japan are in a worrying deadlock which could lead to renewed tensions in Washington, a senior US trade official warned. Page 3; Storm in a cereal bowl, Page 3

Emergency meeting on Rwanda urged: France called for an emergency meeting of the United Nations Security Council in the face of what it termed a seriously deteriorating situation in Rwanda, the foreign ministry said. Sweeping changes urged on UN, Page 6

Seoul eases stance: South Korea, heartened by signs of a smooth power transfer in the communist North, eased a military alert ordered on the death of "Great Leader" Kim Il-sung.

Nippon Steel, the world's largest steelmaker, has agreed to take a 10 per cent equity stake in New CF&I of the US, a subsidiary of Oregon Steel, and provide its subsidiary, CF&I, with new technology and facilities. Page 3

Latvia's premier quits: Latvian prime minister Valdis Birkavs announced his resignation, saying the withdrawal of the conservative Farmers' Union faction had made it impossible for his year-old coalition to continue.

Italian gas blast kills 27: Rescuers pulled the bodies of 27 people from the rubble of an old people's home in northern Italy after it collapsed in an explosion caused by a gas leak.

Abiola refused bail: Moshood Abiola, winner of an annulled Nigerian presidential election last year, was refused bail on a technicality and faces trial for treason on July 28. Page 6

Iran hangs five: Five men convicted of murder, armed robbery, rape and drug dealing were hanged in public in the holy city of Qom, 120km (75 miles) south-west of Tehran, an Iranian newspaper said.

Euro court rules on pregnancy sacking: The European Court of Justice ruled that freight company EMO Air Cargo violated EU principles on the equal treatment of men and women when it sacked a pregnant clerk. Page 8

■ STOCK MARKET INDICES

FT-SE 100:	3050.4	(+45.1)
Yield	4.06	
FT-SE Eurotrack 100	1337.33	(+11.39)
FT-SE-A All-Share	1521.25	(+1.3%)
Nikkei	20,718.04	(+177.63)
New York: lunchtime		
Dow Jones Ind Ave	3734.07	(+29.79)
S&P Composite	453.35	(+4.62)

■ US LUNCHTIME RATES

Federal Funds:	4 11/16%
3-mo Treas Bills: Yld	4.466%
Long Bond	84 11/32
Yield	7.555%

■ LONDON MONEY

3-mo Interbank	5 1/8%	(5 1/16%)
Liffe long gilt future:	Sep 104	(Sep 103¼)

■ NORTH SEA OIL (Argus)

Brent 15-day (Sept)	$17.93	(18.565)

■ GOLD

New York Comex (Aug)	$384.4	(384.0)
London	$383.15	(384.2)

■ STERLING

New York lunchtime:		
$	1.5605	
London:		
$	1.564	(1.566)
DM	2.4174	(2.4069)
FFr	8.2854	(8.2549)
SFr	2.0394	(2.0291)
Y	153.705	(153.706)
£ Index	79.2	(79.0)

■ DOLLAR

New York lunchtime:		
DM	1.55235	
FFr	5.32425	
SFr	1.31055	
Y	98.3	
London:		
DM	1.5457	(1.5383)
FFr	5.2978	(5.2715)
SFr	1.304	(1.2958)
Y	98.28	(98.155)
$ Index	62.5	(62.2)

Tokyo close Y 98.19

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00		
Bahrain	Din1.250	Hong Kong	HK$16	Malta	Lm0.60	S.Arabia	SR11		
Belgium	BFr65	Hungary	Ft 185	Morocco	MDh15	Singapore	S$4.30		
Bulgaria	Lw25.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL50		
Cyprus	C£1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00		
Czech Rp	CZK50	Israel	Shk6.90	Norway	NKr17.00	Spain	Pta225		
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr16		
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30		
Finland	FM14	Jordan	JD1.50	Philippines	Pso50	Syria	S£50.00		
France	FFr9.50	Kuwait	Fils625	Poland	Zl 32,000	Tunisia	Din1.500		
Germany	DM3.50	Lebanon	US$1.50	Portugal	Es225	Turkey	L30000	UAE	Dh12.00

Santer set to win consensus as EC president

By David Gardner and Lionel Barber in Brussels, Kevin Brown in London and David Buchan in Paris

EU leaders look set today to name Mr Jacques Santer, Luxembourg's prime minister, as the new president of the European Commission in succession to Mr Jacques Delors.

In spite of widespread concern in Brussels and among senior EU diplomats and national officials that the Commission would be badly weakened after Mr Delors' influential 10-year stewardship, Mr Santer appeared the only candidate behind whom the 12 member states could unite.

However, in a development that raises the possibility of a setback at today's special summit in Brussels, Denmark announced yesterday the rival candidacy of Mr Poul Schlüter, the country's former Conservative prime minister.

Mr Poul Nyrup Rasmussen, the Danish prime minister, declared Mr Schlüter's candidacy after a meeting of parliamentary party leaders.

"The Danish government finds that Mr Schlüter is the Danish candidate with the best chances of getting the post," Mr Rasmussen told Danish radio.

"It is too early to say what the outcome of Friday's summit will be," Mr Rasmussen said. "Mr Schlüter is Denmark's candidate."

Editorial Comment .... Page 13

In Paris, President François Mitterrand yesterday predicted that today's summit would agree on the Brussels succession, and stressed that the person must be "someone who speaks French".

Mr Santer, 57, has led a Christian-Democrat Socialist coalition in the Grand Duchy of Luxembourg since 1984. He speaks fluent French and German, as well as English.

The British government yesterday signalled strongly that it expects Mr Santer to emerge as the consensus choice, although officials warned that other candidates remained in the race.

Mr John Major, prime minister, refrained from naming Mr Santer during Commons exchanges but said there was "a substantial difference" between the current candidates and Mr Jean-Luc Dehaene, the Belgian prime minister, who was vetoed by the UK at the Corfu summit three weeks ago.

Strong backing for Mr Santer emerged yesterday from Portugal. "If the candidature of the prime minister of Luxembourg, Jacques Santer, is confirmed, Portugal will approve it enthusiastically," Mr Jose Manuel Durao Barroso, the foreign minister, told reporters.

Last minute consultations on Mr Delors' succession took place yesterday in Paris. German chancellor Mr Helmut Kohl, Mr Mitterrand, Mr Felipe Gonzalez, the Spanish prime minister, Mr Dehaene and Mr Santer all attended Bastille Day celebrations as contributors to the Euro-corps joint army unit marched down the Champs Elysées.

Before today's summit, Mr Kohl will

Continued on Page 14

Washington foresees US rates rising close to 5%

By Michael Prowse in Washington

The Clinton administration yesterday signalled that it expected US short-term interest rates to rise to nearly 5 per cent next year, effectively giving the green light to the Federal Reserve to tighten monetary policy further. Short-term rates are currently 4¼ per cent.

The White House also claimed credit for a rapid reduction in a federal budget deficit, projecting a shortfall of $167.1bn in the fiscal year beginning this October, against a projection of $301.8bn before enactment of last year's deficit-cutting measures.

In projections for its "mid-session" budget review, the administration forecast that interest rates on three-month treasury bills would average 4.7 per cent next year. This implies it expects the Fed to raise the key federal funds rate to about 5 per cent.

The Fed has raised short-term rates four times this year to 4¼ per cent against 3 per cent in early February. Next Wednesday Mr Alan Greenspan, the Fed chairman, may provide clues to his monetary plans when he delivers his twice-yearly monetary testimony to Congress.

The administration's interest rate projections are sharply higher than those in its February budget when it projected a Treasury bill rate of 3.8 per cent in 1995. The White House also concedes that bond yields will remain higher than earlier projected. It expects yields on 10 year Treasury bonds to average 7 per cent next year rather than 5.8 per cent. The federal deficit is expected to fall to $220.1bn this fiscal year and $167.1bn in fiscal 1995, before rising to $207.4bn in 1999. February projections were for deficits of $234.8bn, $176.1bn and $201.2bn respectively.

The positive impact on deficit projections of higher than expected revenue was substantially upset by increased debt interest payments following the sharp rise in bond yields this year.

As a proportion of gross domestic product the deficit is projected to fall from 4 per cent in fiscal 1993 to 3.3 per cent this year and then to stabilise at about 2.4 per cent of GDP.

Since the economy is near full employment, this means the Administration does not expect to reduce the structural deficit below about 2.5 per cent of GDP.

White House growth and inflation projections are little changed. As in February it expects economic growth to slow from 3 per cent this year to 2.7 per cent next year and 2.5 per cent later in the decade.

Inflation is expected to rise gradually from 2.9 per cent this year to 3.2 per cent next year and 3.4 per cent by 1997. The unemployment rate is projected to stabilise at just above 6 per cent rather than decline to 5.5 per cent as previously projected.

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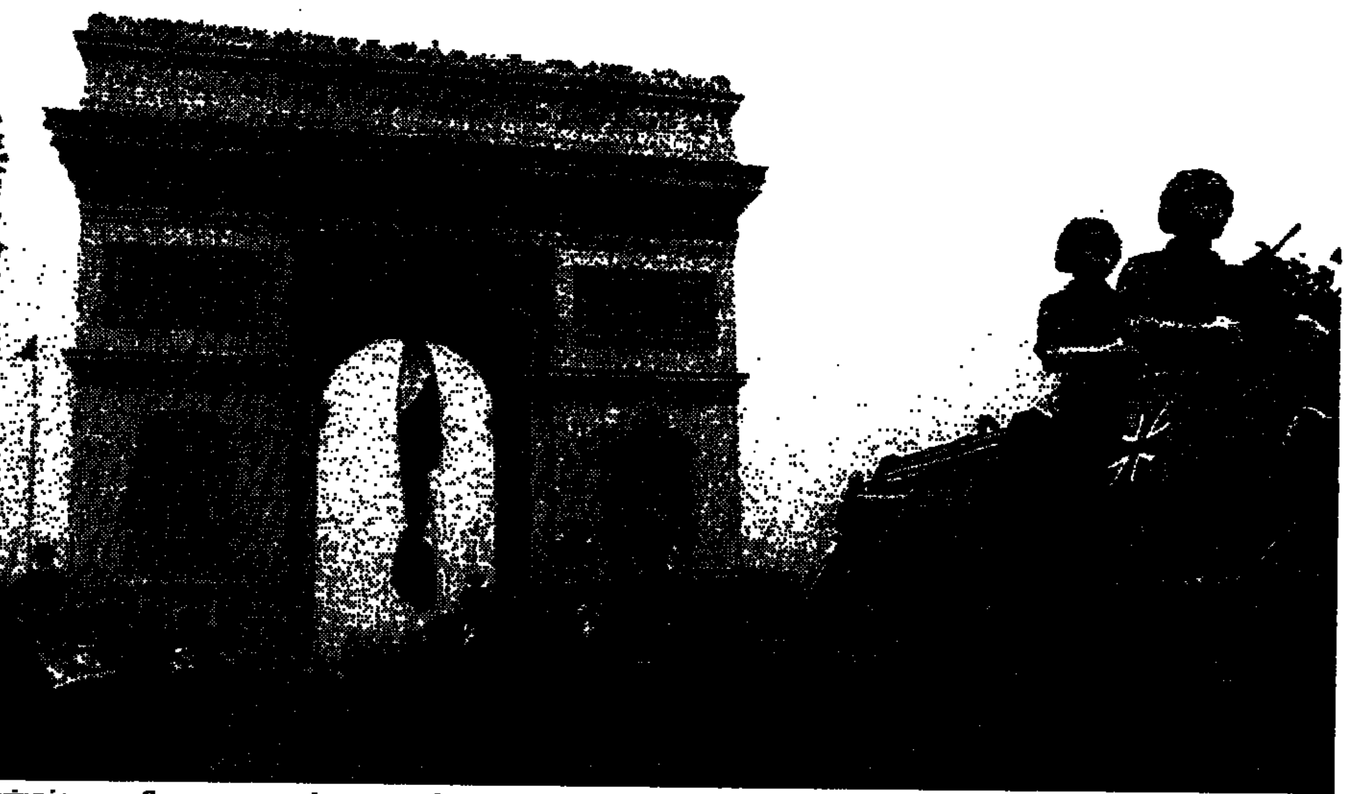

Passing in peace: German armoured cars yesterday rolled down the Champs Elysées in Paris for the first time since the second world war, as part of the new Eurocorps' participation in France's Bastille day military parade Report, Page 2

Picture: Reuter

Bonn seeks curb on jobless benefit

By Quentin Peel in Bonn

Mr Theo Waigel, the German finance minister, will today present a budget to the cabinet calling for a time limit on the payment of unemployment benefit and a freeze on the government's net borrowing requirement.

The DM485bn ($315bn) budget for 1995 represents a growth rate of just 1 per cent over the current DM480bn spending, thanks to cuts enforced on most government departments and expected privatisation proceeds of DM7.3bn.

The net borrowing requirement will be limited to DM68.7bn, compared with DM69.1bn this year. The figures were condemned as a "deliberate deception" by the Social Democrat (SPD) opposition.

Mr Waigel's latest assault on the cost of unemployment benefit has been rumoured for weeks, and is likely to unleash a furious political debate in the run-up to the October general election. His budget will go to parliament for its first reading in September, but could be substantially rewritten if there is a change of power in October.

In the 1994 budget, Mr Waigel cut unemployment benefit for childless workers from 63 to 60 per cent of previous net earnings for initial benefits, followed by a reduced rate, paid indefinitely, of 53 per cent for the long-term unemployed.

It is that reduced rate which Mr Waigel now proposes to limit to two years. After that, the long-term unemployed will be reduced to subsistence-related social assistance, resulting in a net saving, in a full year, of DM6.5bn.

The move was condemned yesterday by Mr Helmut Wieczoreck, budget spokesman for the SPD, as "daylight robbery of the unemployed and the local authorities". He said it would make no difference to overall public spending, because it simply shifted the burden of support from federally financed unemployment benefit to local government-financed social assistance.

The total number of unemployed in Germany in June was almost 3.6m. Of these, about 900,000 were long-term unemployed who receive the lower

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Digital to cut 20,000 jobs as part of drastic shake-up

By Louise Kehoe in San Francisco

Digital Equipment, the struggling US computer company, will restructure its management, cut 20,000 jobs over the next 12 months and take a $1.2bn charge in the current quarter.

The sweeping restructuring plan, announced yesterday, will reduce Digital's workforce by about 20 per cent to 65,000.

The company had been expected to take drastic action to cut costs since reporting far heavier than expected losses of $183m for its fiscal third quarter, ending in March. The results revealed serious weaknesses in the management and a continuing decline in profit margins.

Digital has been struggling for several years to come to terms with declining sales of its traditional minicomputer products and an industry-wide trend toward lower profit margins. It has recorded losses of more than $3bn over the past three years despite substantial cost cutting.

Mr Robert Palmer, Digital's chief executive, said the action announced yesterday would further reduce annual costs by about $1.8bn, bringing total cost savings from restructuring since his appointment in late 1992 to $3bn.

The new restructuring plan will accelerate workforce reductions, which had previously been expected to occur over a two-year period. In addition, Digital is expected to dispose of some of its business units, and the company said further announcements would be made on Monday.

Earlier this month it revealed it was in talks with Quantum, a US disc drive manufacturer, about the sale of parts of Digital's data storage business. Digital has also reportedly discussed the possible sale of its $1.5bn consulting business to Computer Sciences.

Digital said that about 60 per cent of its $1.2bn fourth quarter restructuring charge will be related to job cuts, with the balance covering facilities. In addition, it said it would write off assets of $350m-$400m.

The management restructuring represents a third attempt by Mr Palmer to increase the efficiency of Digital's operations.

He said the company would abandon its traditional matrix management approach.

It has already established two divisions: Computer Systems and Components, plus an Advanced Technology Group to develop new products and identify new market opportunities.

Each business unit will include engineering, manufacturing, marketing and sales operations and carry responsibility for its own financial performance. The new structure would "increase management accountability, sharpen customer focus and return the company to sustained profitability", Mr Palmer said.

Digital's share price gained 10 per cent earlier this week on hopes that the latest restructuring plan would restore profitability but yesterday fell to $20¾ in mid-session, down from Wednesday's close of $21¾.

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Berlusconi economic plan given cautious approval

By Robert Graham in Rome

Italy's business community has given a cautious but positive response to the first broad outlines of the Berlusconi government's economic policy.

The Milan bourse yesterday rose more than 2 per cent after the government's decision on Wednesday to ease tax assessment procedures and introduce the principle of a pardon on certain types of property development carried out without proper permission. These are intended to be the two main vehicles to raise an extra L5,000bn ($3.2bn) this year to keep the 1994 budget deficit to L159,000bn as planned. But there will also be a spill-over effect from these measures into 1995.

Economists yesterday preferred to withhold judgment on the policy outlines until next Thursday when the government is due to unveil details of its 1995 budget.

The government has merely said it intends to reduce next year's budget deficit to L140,000bn, below 10 per cent of gross domestic product. This will be done by finding L40,000bn in spending cuts and new taxes – but not by an increase in fiscal pressure. Mr Silvio Berlusconi, prime minister, has made it clear again this week he will not raise the overall level of taxation which he regards as already too high.

Mr Lamberto Dini, treasury minister, said in unveiling his plans that the government would be relying largely on holding down the increase in current expenditure to 2.5 per cent in 1995. Continued disagreement over the nature of spending cuts, especially in the health and pensions field, are still delaying finalisation of the economic programme.

Indeed, the government had originally promised to reveal the outline macroeconomic plan before last week's Group of Seven summit in Naples. The release of the policy outlines on Wednesday was primarily intended to reassure the financial markets which have become nervous about the government's failure after two months in office to spell out its economic policy.

Pushing the 1995 deficit down to L140,000bn signals the government's awareness of the need for continued surgery on Italy's public finances. But the debt stock is still only expected to level off in 1996 at 127 per cent of GDP, double the norm set by the Maastricht treaty.

Despite promises of innovation, the main measures being used to raise extra funds this year have been much discussed for several years. Previous governments have shied away from making tax assessments more flexible for fear they would undermine the system of collection and lead to corruption. Equally, a pardon on the thousands of properties constructed without proper permits has not been implemented for fear of endorsing development which has blighted most city suburbs.

However, the government has recognised these measures will be popular with its supporters and easy to implement. They also resolve serious outstanding problems.

A backlog of more than 3.2m tax assessment cases involving L85,000bn has accumulated as a result of rigid bureaucratic procedures. In return for payment of a fixed percentage of the sum in dispute (10 per cent of sums between L2m and L20m) matters can be settled immediately. This is a thinly disguised tax amnesty, the ninth of its kind in the postwar era.

The illegal building pardon can be seen an attempt to come to terms with the large number of property alterations and developments carried out without proper permission often because bureaucratic procedures are so slow. The aim is to regularise some, but not all.

Treasury minister, Mr Lamberto Dini: aiming to keep the rise in expenditure to 2.5 per cent

Ashley Ashwood

Rise and fall of a house of cards

Emma Tucker on how the carton-board price-fixers operated

Towards the end of 1990, carton printers in the UK did not like what their books were telling them.

The government may not have noticed it, but their own orders suggested the economy was heading for a sharp downturn. To make matters worse, they were sickened by the relentless rise in the price of the cardboard they relied on to print the brand names of toothpaste, cereal, make-up and frozen foods. Such increases in a dead market would hurt the industry badly.

A number decided to raise the matter with the British Printing Industries Federation which represented many of the UK's carton printers. The BPIF, suspicious that a price-fixing cartel was unjustly squeezing its members, contacted counterparts in France and other European Union countries and the following year, armed with information from across Europe, took the matter to Brussels.

"It was a very unusual step," says Mr Colin Stanley, BPIF director-general. "Only once in 10 years have our members felt so concerned that they have asked us to take up a matter with the Commission."

It did not take long for Brussels to decide that an investigation was necessary. On April 23-24 1991, 40 officials from the Commission and member states staged simultaneous raids on carton-board producers across Europe. Based on what they found, they constructed the case which on Tuesday resulted in 19 producers receiving the biggest fines ever to be levied against a price-fixing cartel in Europe. The fines, which must be paid within the next three months, total Ecu22.75m (£104.27m), the largest single penalty being Ecu22.75.

The cartel was, as Mr Karel Van Miert, competition commissioner, described it, both pernicious and sophisticated. But much of what the officials uncovered was also laughable.

Under the aegis of an ostensibly legitimate association known as the Product Group Paperboard, ringleaders of the 19 member cartel met 12 times a year for "social" meetings, most often in Zurich, but occasionally in Nice or Barcelona, to lend credence to the idea of a "social" gathering.

Fake minutes were drawn up to disguise the real business in hand – arranging concerted price rises. But among the documents found during the raids were personal notes showing exactly when price rises for carton-board would occur in each member state and by how much.

These private notes were made in spite of a general understanding among the cartel members that no incriminating evidence was to be kept. The investigation thus uncovered a whole network of deception designed to ensure that the cartel was never discovered. According to the Commission, at least one company had confidently asked lawyers to carry out a "dummy run" of a Brussels investigation, after the initial complaint by the carton users became known.

The key to the cartel's success lay in achieving a balance between the supply of and demand for carton-board which enabled the concerted "price initiatives" to go through. The participants did this by agreeing a carefully constructed market-sharing arrangement.

"They all realised that aggressive attempts to gain market share would undermine their carefully orchestrated price initiatives," said the Commission. It also alleges that companies suspected of deviating from the plan were required to explain themselves to the others, while laggards were pressed into raising their prices to the agreed levels.

With the market-sharing arrangement in place, the cartel's members then compared the state of their order books to judge when best to introduce a price increase. Sometimes, the big producers agreed temporary plant stoppages to keep production under control.

The "price initiatives" which took place every six months were planned and programmed in advance "in the most explicit detail", says the Commission. The increases were announced to customers and in the trade press with a different company each time taking the lead, and the others following on agreed dates.

The arrangement was not achieved overnight. According to the Commission, the PG Paperboard, set up in 1981, and had been attempting to regulate the market for several years. It was only in 1986, following a reorganisation of its structures, that the cartel began to operate more successfully.

At the top was a "presidents working group" of managing or commercial directors who acted as the ringleaders and took the strategic decisions. They were: Cascades of France, Finnboard of Finland, Mayr-Melnhof of Austria, Thames Board (later part of the Swedish group MoDo), Sarrio (Spain and Italy) and two Stora companies of Sweden.

The Commission's efforts to probe the cartel were boosted substantially by Stora's decision to come clean. In August 1991, the Swedish management of Stora informed Brussels that it accepted that several companies in the group hd been involved in a serious infringement of European competition laws. Stora had recently taken over the German producer Feldmühle, which had been a ringleader.

The fines when they came were astronomical. Some of the companies involved – those that still insist that the meetings of the producers were no more than "social occasions" – are said to be considering an appeal. These companies – Cascades, MoDo, Finland's Enso Gutzeit and Finnboard, Gruber & Weber and Laakmann of Germany, Mayr Melnhof of Austria, BPB De Eendracht of the Netherlands and Sca Holdings of the UK – faced bigger fines than the others.

Perhaps wisely, the rest of the companies involved did not deny the essential facts alleged against them.

'It's an industry that likes to get together'

By Deborah Hargreaves

Allegations that 19 European carton-board makers operated a cartel for four years came as little surprise to some industry watchers yesterday who described the operators as "quite clubby".

"It's an industry that likes to get together. They're always holding conferences, and although they stress they don't want to talk about prices, maybe they decided they wanted to go further," said Mr Dennis Christy, pulp and paper analyst at James Capel in London.

The European Commission has alleged that carton-board makers managed to push through price rises of 6-10 per cent twice a year from 1987 to 1990 in spite of consumer resistance and falling costs of raw materials. During the four years, carton-board consumption in western Europe increased by almost 20 per cent.

Mr Christy said the operation of a cartel could explain the continuation of high price levels in the sector when other parts of the industry were suffering a downturn. Prices for other products in the industry, such as pulp and high quality paper, peaked in 1989. But carton-board prices did not reach their highs until two years later.

Printers, among of the main users of carton-board – a stiff card-like product used for making cardboard boxes and for graphics purposes – complained to the Commission about pricing in the Ecu2.5bn (£1.97bn) industry. The British Printing Industries Federation, which recently complained to the UK Office of Fair Trading about the operation of a cartel in the paper market following recent sharp rises in price, yesterday welcomed the Commission's report.

The European Union uses 3m tonnes of carton-board a year of which a third is imported from Finland, Sweden and Austria.

Carton-board makers are at the mercy of wide swings in price for their raw materials, which are chiefly wood pulp and waste paper but in the period when the cartel was alleged to have operated, raw materials costs were low. This year, pulp prices have risen by 50 per cent, squeezing some companies' profit margins since they are finding it hard to pass on increases to customers.

Germans march in Paris as allies

By David Buchan in Paris

For the first time since 1944, German armoured cars yesterday rolled down the Champs Elysées, as part of the new Eurocorps' participation in France's Bastille Day military parade – and won applause from those in the crowd who were able to spot their distinctive military crosses.

After the parade, President François Mitterrand, who stirred domestic controversy by inviting German as well as Belgian and Spanish troops, said he felt "emotion and joy" at having thus been able to help heal the wounds of the last war, in which he was taken prisoner, and to point France towards its future common European defence.

Chancellor Helmut Kohl said he was "happy to have been able to attend" yesterday's march-past, adding that it was "completely normal" that his soldiers' participation should cause some criticism in France because "the traces of history do not disappear immediately". Mr Charles Pasqua, interior minister, complained earlier this week that the 50th anniversary of France's liberation was the wrong moment to invite the Germans.

But in the last year of his presidency, Mr Mitterrand seems to have pulled off a piece of political symbolism that has won approval, judging by recent opinion polls, from most French people. The invitation to the Eurocorps, in which Germans play a big role, is likely to set a precedent from which any successor may find it hard to depart.

It was at the suggestion of Mr Edouard Balladur, the conservative prime minister who is a candidate for the Elysée next year, that three Germans identified with the July 1944 plot against Hitler attended yesterday's ceremonies. They included Mr Manfred Rommel, mayor of Stuttgart and son of Field-Marshal Erwin Rommel, the "Desert Fox" who also commanded German troops in Normandy and who shot himself after the failure of the July plot.

For Mr Kohl, the presence of German troops in Paris yesterday constitutes a further step towards "normalising" his country's military relationship with its allies, following the legal ruling this week by the German constitutional court that German troops could join their allies in conducting peace-keeping operations outside the Nato area.

The 800-strong Eurocorps contingent, a fraction of the 6,000 troops in yesterday's parade, included troops from Belgium and Spain, which along with France, Germany and Luxembourg make up the five-nation force.

Turks to protest at austerity measures

By John Murray Brown in Istanbul

Turkey's austerity programme is coming under growing pressure from labour groups, with the main union federation calling a day of protest for next Wednesday and the government facing demands to raise civil servants' salaries.

The cabinet is today due to announce salary increases for the 1.6m civil servants. Despite annual inflation running at more than 100 per cent, economists say Mrs Tansu Çiller, the prime minister, will want to keep the increase to below the 54 per cent projected in the 1994 budget.

Separately, Turk-Is, Turkey's main union federation, representing around 1.2m workers in the public sector, is to stage a day of protest on Wednesday in the first sign of union opposition to the programme.

Public-sector wage restraint is vital to the success of the government's fiscal adjustment plan, which envisages halving the public-sector borrowing requirement to 9 per cent by the end of 1994. The programme, backed by an International Monetary Fund standby credit of $742m, assumes a 15 per cent real wage cut across the economy.

The government has still to pay rises to some 700,000 public-sector workers under collective bargaining deals signed last year, when it was agreed that wages would be indexed to inflation. The government wants the unions to accept rises in line with future inflation, projected to fall sharply to 20 per cent by mid-1995.

"It's daydreaming, of course we will never go for such a proposal," warns Ms Seyhan Erdoydu, a Turk-Is official, "World Bank or OECD projections are one thing, but the government's own projections are never met."

The government is hoping to appease union grievances, at least in the public sector, by introducing unemployment insurance for those made redundant by privatisation. This reform however, is currently frozen.

In addition to wages, the unions complain about the rise in value added tax, and the government's failure to fulfil a pledge to provide a right to strike for civil servants.

However, Mrs Çiller appears to be gambling that the unions, and the Social Democrats, their allies inside the coalition, will opt to protect jobs rather than push for higher wages.

In June parliament ratified on second reading the International Labour Organisation convention on job protection, which the unions believe provides a legal basis to challenge dismissals.

However, union militancy appears to be waning. Last year saw a sharp fall in the number of days lost to strikes, with just 38 strikes in the first six months of 1993 compared with 398 in 1991, according to union figures.

With the government meeting its fiscal targets in the first three months of the programme, economists believe Mrs Çiller will want to hold the line on wages, which may give her more room for manoeuvre in the autumn, when parliamentary and union opposition to the austerity measures is expected to intensify.

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Next stage of Russian asset sales blocked

By John Lloyd in Moscow

Russian reformers will press President Boris Yeltsin to sign a decree giving a legal base to the second, crucial phase of privatisation – after the state duma, or lower house, refused to pass the government's bill by a large majority on Wednesday night.

In the first phase, some 70 per cent of state enterprises were auctioned in exchange for vouchers. Yesterday, Mr Anatoly Chubais, deputy prime minister for privatisation, made clear yesterday that he would push ahead with a second stage under which the remainder would be privatised for cash. "The president must act," he said.

The government hopes that the industrial restructuring process, still in its infancy, will take off in the second round, pushed by Russian – and to a lesser extent foreign – investors seeking to make enterprises profitable and competitive. A long fight with parliament over would be a severe setback for a government pointing with increasing confidence to signs of recovery.

However, the road still appears open for compromise, the more so since the bill was not thrown out but referred to a commission for further work. Mr Sergei Burkov, a centrist deputy who presented a report on the bill to the duma, said that the programme would sell off state assets at an artificially low price; that commercial banks had to be given greater rights to take part in the privatisation process; and that closed joint stock societies, formed in the early stages of privatisation to keep shares within a narrow circle, usually of directors, should not be forced to open up.

Mr Chubais had earlier pressed for a decree to allow the privatisation process to start, but had been turned down by President Yeltsin, who insisted on the parliamentary route. A decree on this subject where parliament has clearly shown the wish at least to amend the legislation, would raise the political temperature, which has so far been mild.

A meeting of government and deputies today called to discuss economic reform will be told that tax collection for the first six months is running at only a little over 60 per cent of the estimated level and that inflation, down to 4 per cent in June, will surge to around 10-11 per cent in August because of the payment of delayed salaries.

EUROPEAN NEWS DIGEST

Hungary acts on borders

Hungary's new Socialist government yesterday opened the way for a "historical reconciliation" with Romania and Slovakia by offering to renounce formally all territorial ambitions against them. Mr Gyula Horn, making his inaugural speech to parliament as prime minister after winning May's elections, announced that Budapest would begin treaty talks "without delay" with Bucharest and Bratislava. Mr Horn said Hungary was ready to enshrine in new bilateral agreements a guarantee of the inviolability of borders upon which Romania and Slovakia had insisted. He tied his concession to the incorporation of a commitment on minority rights for the roughly 2m ethnic Hungarians in Romania and 600,000 in Slovakia. He has nevertheless abandoned the position of the outgoing centre-right government, which ruled out the revision of frontiers by force but refused to carve in stone a territorial settlement it deemed unjust. In pointed contrast to a conservative predecessor who called himself premier of all 15m Hungarians, within and beyond the borders, Mr Horn said he was prime minister of Hungary's 10.5m inhabitants alone. "This government is the government of the citizens of Hungary," he declared. Tension however remains high in Cluj, capital of the Romanian region of Transylvania, after nationalist mayor Mr Gheorge Funar tried to remove a statue of King Matthias of medieval Hungary, which is a central symbol of the city's ethnic Hungarians. *Nicholas Denton, Budapest.*

Latvian coalition to resign

The Latvian coalition government is to resign because of the decision by the Peasants' Union party, the smaller of the two coalition partners, to pull out of the government. Mr Valdis Birkavs, announcing the decision on television on Wednesday night, said however that his Latvian Path party would be ready to form a new government with another coalition partner. The Peasants' Union decision reflects growing tension over economic policy in Latvia, and came after Mr Birkavs had refused the Peasants' Union request for increased tariffs on imported foodstuffs.

The president and prime minister of Estonia yesterday issued a statement welcoming the offer by Russian President Boris Yeltsin for talks – described by Mr Yeltsin as a "final effort" – on the withdrawal of Russian troops from Estonia by August 31. Mr Yeltsin said at the Group of Seven summit in Naples that he would not withdraw the troops unless Estonia guaranteed full civil rights for the large ethnic Russian population. Estonia, along with Latvia, has adopted a citizenship law which in practice restricts the numbers of Russians able to take citizenship. *John Lloyd, Moscow*

EU to rule on media ownership

The European Commission is expected to propose this month that the European Union draw up rules on concentrations of media ownership, a Commission official said yesterday. National laws aimed at ensuring that newspapers and television stations reflect diverse views differ widely, making it difficult for companies to operate across borders, said Mr Paul Waterschoot of the Commission's internal market division. European legislation would probably choose to limit media ownership depending on the size of the audience rather than on the number of publications or stations any one company owns. The Commission decided the EU should act following consultations with industry, national officials and others on a "green paper" it issued in 1992, he said. *Reuter, Brussels*

Caution on broadcast quotas

European Commission officials responsible for European policy on culture and the broadcasting industry yesterday distanced themselves from comments this week that quotas designed to protect the European film and television industry could soon become a thing of the past. Advisers to Mr João de Deus Pinheiro, commissioner responsible for the audiovisual industry, are irritated that Mr Reinhard Büscher, a member of the industry cabinet, raised the prospect of technological changes in broadcasting making quotas impractical. Mr Pinheiro insists that quotas – which require at least half of all broadcasts shown on any channel to be European – will remain. However, the Commission is looking at ways of altering the manner the quotas are applied to reflect the development of specialised channels, such as a Disney channel, where the current quota rules are completely impractical. *Emma Tucker, Brussels.*

No questioning for Claes

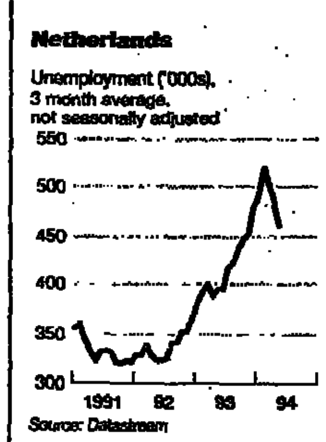
Mr Willy Claes, Belgian foreign minister, will not have to appear before the country's highest court for questioning over a financial scandal, following a vote in the Belgian parliament yesterday. The parliament voted to question former deputy prime minister Mr Guy Coeme in the investigation. It is alleged that a research company, Inusop, which conducted opinion polls for the government, channelled taxpayers' money to political parties in the late 1980s. The vote followed a report by a parliamentary commission which said there was enough evidence to justify Mr Coeme going before the court, but said there were insufficient grounds for Mr Claes to appear. *Reuter, Brussels.*

Delays at Athens airport

Greek Transport Minister Theodoros Pangalos warned summer travellers yesterday that long delays at Athens airport would persist because of the big seasonal increase in flights. The delays, often of two to four hours, are due to air traffic controllers' refusal to work overtime, an inadequate radar system and a 30 per cent increase in flights during the summer. Mr Pangalos wants a new radar system operational as soon as possible but ruled out a wage increase. The Board of Airlines Representatives said: "The situation is a nightmare for tourists and threatens Greece's commercial interests." *Reuter, Athens.*

ECONOMIC WATCH

Fewer Dutch out of work



Source: Datastream

Dutch unemployment fell for the third consecutive month in June, confirming a trend that emerged earlier in the second quarter after nearly two years of increase. The central statistical office said yesterday that an average of 461,000 people were registered as unemployed in April-June, down from an average 483,000 in the previous three-month rolling period of March-May and 500,000 in February-April. The figures, which are not corrected for seasonal factors and are based on a narrow definition of registered joblessness, are equivalent to an unemployment rate of 7.2 per cent. Despite the month-to-month decline, registered unemployment in April-June was still higher than a year earlier, when 394,000 people were unemployed and the jobless rate stood at 6.2 per cent. *Ronald van de Krol, Amsterdam.*

■ Norway's trade surplus widened to NKr5.54bn (£521m) in June from NKr4.88bn in May and NKr4.98bn in the same month last year, the central bureau of statistics said.

■ German company insolvencies rose by 18.8 per cent in April against the same period last year. 1,234 companies became insolvent in April 1994, bringing the total to 4,894 in the first quarter. The figure for the first quarter rose by 22.4 per cent against last year.

Increasing frustration among business community, says Garten

US warning over deadlock

By Michiyo Nakamoto in Tokyo

Trade negotiations between the US and Japan are caught in a worrying deadlock which could lead to renewed tensions in Washington, a senior US trade official warned yesterday.

Mr Jeffrey Garten, the undersecretary of commerce for international trade, indicated that bilateral negotiations aimed at increasing access to Japanese markets have not made much headway and that unless there was visible progress progress in the talks, frustration could mount in Washington.

"Progress is very slow. Most of the major problems are still in front of us," he said.

Mr Garten yesterday took part in sub-cabinet level talks on increasing foreign access to Japan's car and motor vehicle parts markets, one of the priority areas in the framework negotiations between the US and Japan.

Since the trade talks resumed in May, the rhetoric has been toned down, Mr Garten noted. But there was still "significant difference in the perception of whether or not there is an access problem."

The framework trade negotiations, agreed between Japan and the US last summer, broke off in February this year when the two sides could not agree on ways to measure progress in opening Japan's markets.

Mr Garten cautioned that there was increasing frustration among the business community in the US and that once legislation approving the Uruguay Round agreement is passed, Congress would turn its attention more to Japan.

"The concern is that just because we have been able to contain the tension... this should not be seen as an indication that that is going to last for a very long time."

Meanwhile, the US is developing an export strategy for Japan "above and beyond the framework trade talks" which involves looking into ways the government can help US companies win Japanese Overseas Development Administration contracts and other projects in Japan, such as the Nagano Olympics.

The Clinton administration is aiming to nearly double exports to $1,000bn by the year 2000 and one particular focus of this export strategy will be the information technology sector, Mr Garten pointed out.

"This is the kind of area that the US and Japan can co-operate on, not just in the US, not just in Japan but elsewhere.

These kinds of issues will have a major impact on US-Japan relations in the future," he said.

Nippon Steel takes stake in CF&I

By Michiyo Nakamoto in Tokyo

Nippon Steel, the world's largest steelmaker, has agreed to take a 10 per cent equity stake in New CF&I of the US, a subsidiary of Oregon Steel, and provide its subsidiary, CF&I, with the technology and facilities to manufacture head-hardened rail.

The deal will enable Nippon Steel to overcome the adverse impact of the yen's sharp rise against the dollar and to deflect US anti-dumping charges. The arrangement will enable CF&I to supply its customers in the railway industry with a leading product.

The venture comes two years after CF&I joined Bethlehem Steel in bringing charges against Japanese steelmakers of dumping rail in the US. Those charges were dismissed in June, 1992 by the US International Trade Commission.

Head-hardened rail, which is longer lasting than ordinary rail, is expected to see greater demand in the years ahead. However, most US steelmakers, including CF&I, do not have the technology to manufacture head-hardened rail.

Nippon Steel said that the agreement would allow it to sell its product in the US without having to worry about dumping charges. The yen's high appreciation has meant that Japanese steelmakers exporting product to the US will be forced to raise their prices significantly if they want to avoid anti-dumping charges.

Taiwan invests heavily abroad

By Laura Tyson in Taipei

Overseas investment by Taiwanese companies rose rapidly in the first half of this year. The government approved $936.3m in investments by local companies in countries other than China during the first six months of this year, a 54 per cent jump from the $606.8m (£399m) recorded in 1993.

But January-June approvals for investment in China were sharply lower, amounting to only $434.7m against $3.6bn for 1993, according to the economic ministry's investment commission. Analysts attributed the steep decline to China's economic clampdown imposed last year and tensions generated by the March 31 killings of 24 Taiwanese on a pleasure boat tour.

It was also noted that China had largely discarded the preferential treatment accorded to Taiwan companies in the form of tax breaks and other incentives.

Meanwhile, government-approved inward investment in the first half climbed 49 per cent from a year earlier to $639.1m. The petrochemical, food and services sectors recorded the largest gains.

Analysts cautioned that the outward investment figures were an indicator of investment interest by private-sector Taiwan companies but were skewed because they do not include the substantial offshore activities of state-run companies.

This makes it is difficult to discern the true impact of the government's "Go South" policy launched last year to encourage Taiwan companies to steer their investment plans away from China and its vagaries toward other countries in the region.

South-East Asian countries continued to be a magnet for Taiwanese cash, with Malaysia topping the list at $101.5m, up from $42.2m during the first six months of last year. The commission approved investments of $39.1m in Thailand, versus $19.2m in 1993.

An important beneficiaries of Taiwanese investment is Europe, officials said, via the British Virgin Islands, from which Taiwanese may invest in the EC tax-free. Investment in the "other areas" category hit $637.9m in the first half, up from $120.9m in 1993.

- Parliamentary clearance for Taiwan's fourth nuclear power station has opened the way for the government to award the $2.2bn contract for the nuclear reactor.

Three international concerns – Swiss-Swedish concern ABB via its US arm Combustion Engineering; France's state-run Framatome; and US firm Westinghouse in partnership with public utility Nuclear Electric of the UK – are vying for the project. A final selection is expected in August or September.

A North American storm in a cereal bowl

By Laurie Morse in Chicago and Nancy Dunne in Washington

The much trumpeted virtues of integrating the North American market and harmonising commercial systems in the US, Canada and Mexico are turning out to be unproven in one sector at least – agriculture. The US and Canada are again on the brink of trade war – this time over wheat – and Mexico has launched countervailing duty investigations against wheat sales by both its North American trading partners.

The US-Canada dispute could reach boiling point this summer if President Bill Clinton decides to use his powers under Section 22, an obscure provision of the US Farm Act of 1933, to impose tariffs or quotas on Canadian wheat imports. If he acts, as recommended last week by Washington's International Trade Commission, Canada will almost certainly retaliate with restrictions on imports of a variety of US food and farm goods.

What would be even worse for trade liberalisation, the US and Canada could settle their differences without sanctions by allowing each other to continue the protection of favoured farm sectors – say US grain for Canadian poultry, dairy and eggs.

Trade analysts say this chaotic state of affairs in the continent's newly minted free trade area stems from state intrusion in agriculture and differences in the nature of that intrusion. What the three North American governments are doing is arguing over whose intrusion is the most damaging.

The US pays loans and subsidies which support domestic prices and export subsidies which depress external prices. Canada has a Wheat Board, which operates like a monopoly, and transportation subsidies. Mexico, now the least protectionist of the three, pays income support to poor and medium-sized farmers and plans to phase the payments out over the next 15 years.

President Clinton is not required to protect the US farm programme, except that he has political dues to pay to northern plains senators and congressmen. Once the ITC had given the administration its first legitimate cause to act, Senator Max Baucus of Montana and Byron Dorgan of North Dakota lost no time in reminding Mr Clinton that he had promised last November to assist US wheat growers.

The impact of the dispute may be temporary. If, as expected, Congress approves legislation to implement the hard-won Uruguay Round trade agreement, trade barriers under Section 22 would become illegal. The Clinton administration has sought sanctions against Canada under Article 28 of the General Agreement on Tariffs and Trade, but this would have to be approved by Congress. The House Ways and Means committee has already turned its thumbs down to the proposal.

In the meantime, the dispute could give US agriculture officials muscle to negotiate reforms in Canada's grain marketing system. They want increased transparency in the Wheat Board's export pricing policies – in fact, they say the US-Canada Free Trade Agreement appears to require more transparency. And, they argue, while Canada does not employ export subsidies, the Wheat Board regularly undercuts the subsidised prices of their competitors. The amount of bluster coming from both sides in the wheat dispute is surprising given the relative insignificance of the size of the wheat trade between the two countries.

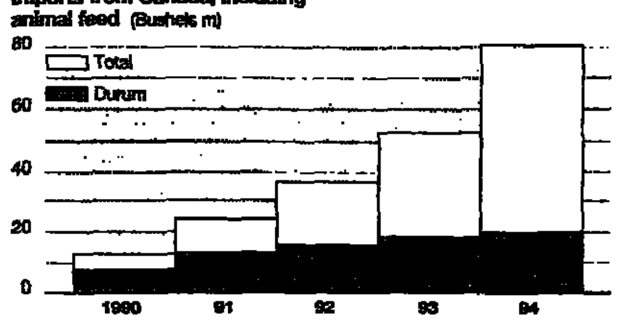
Of the food-quality wheat that crossed the border, large quantities were shipped back into Canada as part of the $77m pasta trade. In fact, the flow of raw and processed agricultural products could, if left alone, form a model for the Clinton administration's vision of the integrated North American market.

Grain trade analysts view the wheat from Canada flow as a temporary adjustment to a poor crop in the US last year, and expect the volume of Canadian exports to ease of their own accord as the US feedgrain crop normalises with this summer's harvest.

The "dispute" they say, should be viewed in the context of politics between Washington and the northern plains states and the complicated manoeuvrings that are occurring as the world's largest grain producers jostle for position in a post-Gatt world.

US wheat

Imports from Canada, including animal feed (Bushels m)



Source: USDA and census import data

US President Bill Clinton today receives the International Trade Commission's recommendations on Canadian wheat imports. Each commissioner can produce his own solutions, and they could vary widely. Three of the six members last week found that Canadian wheat imports had "materially" injured the US farm support programme. They could recommend import curbs through either tariffs or quotas. The other three commissioners – two Republicans and one Democrat – found only an "adverse impact" on the US wheat programme and could recommend only temporary measures.

NEWS IN BRIEF

Honda to halve US exports

Honda Motor of Japan will halve its annual exports to the US to 150,000 vehicles by 1999 in an attempt to reduce risks from exchange rate fluctuations, agencies report from Tokyo.

The Nihon Keizai Shimbun newspaper reported that under a long-term business plan, Honda also planned to boost exports from its US plants to Japan and other countries nearly four-fold to 150,000 vehicles a year.

Honda hopes the moves will help ease Japan-US trade friction over vehicles.

Caterpillar in Russian plan

Caterpillar of the US is holding talks with the International Finance Corporation and the US Overseas Private Investment Corporation to fund two joint ventures with Russia's Zil truck maker, Reuter reports from Moscow.

A senior Caterpillar official said financing was being put together for the US diesel engine maker's new Novodiesel joint venture with Zil, agreed on June 24, and its Diesel System joint venture signed earlier this year.

Novodiesel will produce Caterpillar truck engines in the 150 to 500 horsepower range, starting from 1995.

Minolta in China venture

Minolta Camera of Japan has announced the formation of two joint ventures in China in October to manufacture and market cameras and copier machines, Reuter reports from Tokyo.

One joint venture will be formed in Shanghai with China's largest camera maker, Shanghai Camera Factory.

The new company will be capitalised at $4.5m and will start producing 20,000 cameras a month from early next year. Minolta plans to expand production to 100,000 cameras a month within two to three years.

NEWS: THE AMERICAS

Mexican legal system puts progress in fetters

By Damian Fraser in Mexico City

THE NEW ECONOMIC ORDER

There is at least one point of agreement in Mexico for the governing party and opposition, business organisations, foreign investors, and lawyers: the country's competitiveness and economic progress is hindered by its slow, outdated and often corrupt legal system.

The broad alliance in favour of legal reform reflects the dissatisfaction with a judicial system that has hardly been touched by the economic and social reforms of the past decade.

Mexico's judges are still largely subservient to the executive branch; corruption is common; litigation is extraordinarily slow; and many important commercial laws, dating back to the 1930s, are inadequate for today's businesses.

In a recent report, the World Bank said the weakness of Mexico's legal system was an "important constraint to private-sector development". The unclear legal environment, added to the cost of capital, created uncertainty and discriminated against small businesses, which are more vulnerable to arbitrary legal decisions than large companies.

The system's poor reputation is believed to have reduced foreign investment, especially in the agricultural sector, where commercial law is least developed. "There is a great deal of fear in many US businessmen's minds about coming to Mexico," says Mr Vincent Russo, deputy director of the National Law Center for Inter-American Free Trade, which is looking at ways of harmonising trade and investment laws in the Americas. "Mexico's legal system generates mistrust and scares people away."

But any reform of the legal system is made more difficult by the fact that the creation of an independent judiciary would reduce the power of the ruling party. "The basic problem is impunity and arbitrariness, which is a result of a lack of democracy," says Mr Santiago Creel, a prominent Mexico City lawyer. "Modernisation of the legal system depends on changing the political system."

Although Mexico's constitution upholds the judiciary's independence, in practice judges are often answerable to the government. Given the Institutional Revolutionary party's domination of Congress, the president and governors can pick and dismiss federal and state judges almost as they wish.

"It can be dangerous to fight in the courts against powerful political interests," says Mr Ernesto Ayala, a litigant with Bufete, Noriega and Escobedo, a top law firm in Mexico City.

Partly thanks to the efforts of Mr Jorge Carpizo, the former attorney-general who is now interior minister, several corruption cases involving judges have come to light. Last year, Mr Carpizo's office ordered the arrest of Mr Ernesto Diaz Infante, former Supreme Court Justice, for allegedly taking a $500,000 (£329,000) bribe while in office for arranging the release of a man convicted of raping and murdering a young girl. Mr Diaz disappeared soon after his arrest was ordered.

While corruption is said to affect only a small minority of cases, the resolution of disputes in Mexican courts is generally "lengthy, costly and unpredictable", according to the World Bank. Under Mexico's legal system, almost every case in state courts can be appealed against in federal courts, enabling parties to delay cases for years.

The World Bank reports: "Deficiencies in the system of legal education and training and a dearth in appropriate standards of professional ethics, have left legal practitioners complacent and unprepared to meet the challenge of their business clients competing in a global economy."

The effect of unpredictability is that businesses often avoid signing contracts with companies they do not know, to minimise the chance of landing in court, according to a US lawyer who is studying the impact of Mexico's legal system on the economy. This discriminates against new companies.

Commercial laws further discriminate against small businesses by making it difficult to secure credit by pledging the lender movable property – such as machinery – as a guarantee. In the US secured credit by some estimates accounts for as much as 40 per cent of business loans. In Mexico companies either have to mortgage land or houses when borrowing money, or pay high rates of interest charged for unsecured credit.

"Mexico's small and medium-sized businesses are going to get killed as US businesses come down with 10 per cent credit," says Mr Russo. "If the government does not move on secured credit, Mexican businesses will be in trouble."

This article is the fifth in a series on the recovery in latin America. Previous articles appeared on June 24 and 30, and July 5 and 12.

THE NEW AGENDA – REFORM OF CIVIL SERVANTS

In the last 10 years, the role of government in the economies of Latin America has been in decline, writes Stephen Fidler, Latin American Editor. As governments have privatised inefficient state industries and deregulated, there has been *strong emphasis on the importance* of market mechanisms in generating economic growth.

Although few can claim to have completed market reform, the pendulum already seems to be swinging the other way – towards trying to improve the way that governments function.

Studies of the successful Asian developing economies almost always *underline the constructive role of* government – and in particular meritocratic bureaucracies – in generating growth. However, because of the poor record of Latin American governments, some economists believe the optimal size of the state there is smaller than in Asia.

***Some functions*, however, are inevitably the state's responsibility – legal systems and regulation of private utilities. *In other activities* – such as social services – the market may have a role but the state's participation is often essential.**

Mr Ricardo Hausmann, a former Venezuelan minister and the chief economist at the InterAmerican Development Bank in Washington, *says:* "The agenda ahead is highly concentrated on these institutional issues."

***He identifies one important* problem seen all over the world but is particularly acute in Latin America: the tendency of departments of government to lose sight of their objectives. "Institutions tend to fall under the control of the producers, rather than the *consumers." Bureaucracies tend* to function for the benefit of those working inside them and attempts to reform them are often thwarted by powerful public sector unions.**

Furthermore, government bureaucracies have been weakened by fiscal stringency, another aspect *of economic reform.* This has reduced real wages in the public sector and its ability to attract talent. "It's not *at all clear whether significant* progress has been made [in reforming bureaucracies], though the problem may be less critical because their scope to do harm has been reduced by the reforms," he says.

Mr Andrew Nickson, a senior lecturer at the University of Birmingham with direct experience of several Latin American bureaucracies, agrees that bureaucratic capabilities in the region are very weak. Some governments, encouraged by the IADB and the World Bank, are shedding large numbers of civil *servants – but there* is little evidence that the capacity of remaining civil servants is being improved.

***Not* only are wages low, but career possibilities of civil servants are stunted. They can rarely move from one department to another (or from one municipal or state government to another) because there are no uniform civil service standards.**

There are some reasons for *optimism that the trend* toward decentralising government increases its accountability to the public. However, he says "virtually every country pays lip service to the idea of a career-based civil service, but the reality is very far from the rhetoric. I don't honestly see very much change."

WORLD CUP

Brazilians ready for 'battle of the big dogs'

Brazilian striker Romário rounds Swedish goalkeeper Thomas Ravelli in the first half of the semi-final, only to **have his shot cleared off the line. Brazil's beautiful flowing moves were frequently marred by poor finishing** Reuter

Shot after shot *failed to pierce* Sweden's armour. But then the smallest man on the field rose above it all to head the goal that nudged Brazil into Sunday's World Cup final against Italy.

A header by Romário in the 80th minute of Brazil's semi-final against Sweden in Los Angeles gave them a 1-0 victory and a chance to erase the disappointments of the last five World Cups.

Earlier, Italy beat Bulgaria 2-1 in New Jersey in the other semi-final, thanks to two inspired goals in quick order by Roberto Baggio.

"I haven't made many of those," said Romário later, recalling the perfect *downwards-headed goal that* dashed Sweden's hopes. "I can probably count them all on the fingers of one hand."

The 5ft 6in Brazilian striker was the most visible man on the field all afternoon, but for 79 minutes the spotlight shone cruelly on the goals *he was missing – including an open* net in the 25th minute.

Branco fed Romário at the edge of *the penalty area, where he split two* defenders and then fooled Ravelli, the eccentric but resourceful Swedish goalkeeper. But the striker pushed the ball a shade too wide. When he regained possession, Romário hit a weak shot that Andersson, the Swedish full-back, zoomed in to clear off the line.

"I'm still trying to figure out where that guy came from," said Romário.

However, the game was not as close as the score indicated. In the view of most neutrals, Brazil overwhelmed their opponents.

"Technically, tactically and physically we controlled the whole game," Carlos Alberto Parreira, *Brazil's coach, said, relieved that* criticisms of their scrappy style and lack of menace in the earlier stages of the tournament had been deflected if not silenced.

"We took the initiative from the beginning, and 1-0 doesn't [reflect] Brazil's supremacy. The only difficulty was *putting the ball in the* goal."

Brazil repelled the Swedes with *outstanding defence – a word not* always associated with the heights of Brazilian art-house soccer. But Romário had said before the game that Brazil were at present playing "modern and efficient" soccer that might not be pretty but was at least producing success.

Having studied the Swedes closely, Brazil shut them down. There always seemed to be swarms of Brazilian blue shirts surrounding every white Swedish jersey.

"We annulled their air game, and that is the only way they know how to play," Brazilian 'keeper Taffarel said.

But the Brazilian front-line missed chance after chance. Zinho *fluffed an excellent opportunity in* the 13th minute. Romário fed Bebeto on the left, who one-touched it to Zinho racing in uncovered, but he shot into the side netting.

Then Andersson denied Romário. "I'm here to make goals *and* to miss them," the Brazilian reflected. "I *prefer to talk about the ones that go* in."

Seven minutes after that, Romário *blew another one.* Bebeto streaked up the left on a counter-attack and fed Romário in the middle, a play they had rehearsed all week in training. But Romário stepped on the ball, stumbled and managed only a weak shot that Ravelli knocked away.

Brazil *out-shot* Sweden 15-1 in the first half and 26-3 overall.

Brazil's victory means that the winner of Sunday's final in Los Angeles – "a battle of big dogs," according to Brazilian mid-fielder Mazinho – will become the first four-time winner of the World Cup.

The last time Italy and Brazil met in the final – in Mexico City in 1970 – Pelé led an inspired Brazilian *team to a 4-1 win.*

Brazil probably benefited from a day's more rest than Sweden, after the quarter-finals. "We had too short a time to reload our batteries after running them down against Romania last Sunday. We did not come up to the same class as we did *before," said Swedish coach Tommy* Svensson.

More important than matters of life and death

Political unrest, civil war and economic hardship are simply minor irritations, writes **Simon Kuper**

The best way to get applauded on the streets of Haiti *is to wear a Brazilian* football shirt. Haiti's team are so bad they were kept out of the World Cup by Bermuda, so the whole country supports Brazil.

"You are asking which is more important – Brazil or a US invasion?" one fan asked an American reporter. "We are hungry every day. We have problems every day. The Americans talk about invading every day. But we only have the World Cup every four years."

During the World Cup, economic sanctions against *Haiti have* failed to bite and talks between government and opposition were out of the question. At half-time during matches, Haiti's black-and white TV sets show bloody videos of the US invasion of Panama, with texts like *No to Intervention* superimposed.

"This country is demobilised by the World Cup," complains Haitian Prime Minister Robert Malval. "I think when we wake up on July 18 – that's the end of the World Cup party. And that will be the beginning of the end of the party here."

This World Cup is having a bigger effect on countries' politics than any previous World Cup. True, the Argentine junta used the 1978 World Cup much as the Haitian junta is using this one, and West Germany's 1954 triumph did more to restore German self-respect than Konrad Adenauer ever could.

Other examples abound. But this World Cup is more serious. For a start, there are more TV sets in the world today than there were even four years ago. The tournament is attracting vast audiences. The average human – a Chinese peasant, Essex Man, Alexandr Solzhenitsyn – will probably have watched six World Cup games by the end of Sunday's final.

Rwandans root for Nigeria, Bangladeshis for Maradona (they held protest marches in Dhaka after he was banned for drug-taking), and no doubt the Eskimos have their favourite team.

In 1950, famously, Britain learned by telegram that the US had beaten England in Brazil, and even later things were not much better in Africa and Asia. But telegrams do *not tend to demobilise nations.*

Second, in this lone superpower world, the World Cup is the one key arena which the Americans do not dominate. One Mexican soccer-lover living in Boston told me that he would prefer not to see football taking off in the US.

The World Cup is the most direct way we have of ranking the nations of the world – it is hard to compare GDPs in a way that is quite as visually appealing – and the Americans' weakness at soccer leaves the field relatively even.

Soccer can give a nation status. When we say "Brazil beat Holland" we feel we are talking not just about their soccer teams but about the countries themselves.

"In the World Cup, all we lost is two games. We didn't lose our national honour," a Colombian state governor tried to *argue a few* days ago. He was standing beside the coffin of Andrés Escobar, the Colombian player (and own-goal scorer) slain on his return home.

Whereas in the past most countries were dictatorships propped up by the US or USSR, now dozens are (or are becoming) democracies. Nicolae Ceaucescu and Todor Zhivkov did not worry about public opinion, and in the 1980s nor did African leaders.

Now the Cameroonian president, Paul Biya, is so worried that for two World Cups in a row he has recalled the middle-aged Roger Milla to the team (what will he do in 1998, when Milla is 46?).

Ethnic tension rises, and rulers look to *the World Cup to foster* unity. General Sani Abacha likes the Nigerian team to include players from each of the country's three main tribes, and after Romania beat Argentina, President Ion Iliescu said the ethnically diverse team had created a "national consensus." (That was before the ethnic Serb Belodedici missed the decisive penalty in the quarter-final).

The US squad, which contains Hispanics, blacks, Italian- and Greek-Americans – precious few Wasps – received a call from President Clinton that was shown on prime-time TV.

Democratic rulers everywhere are struggling, and they all turn to the World Cup. In Italy, where soccer is perhaps the least tarnished national institution of the moment, Silvio Berlusconi got himself elected *prime minister with a party named* after a football chant.

In Brazil, Mexico and Argentina, presidents have appeared on TV during the World Cup to suggest changes to the national team's line-up. Even in Norway, Prime Minister Grö Brundtland appeared on a TV panel commenting on the country's opening game.

Countries that need the World Cup most were only admitted to it quite recently. Fifa, soccer's governing body, first gave Africa a World Cup berth in 1970; only this year did the continent get three places. Asia, with more than half the world's population, for long had only one spot, and still has only two.

And the poor are improving. African teams regularly reach the second round. The Third World cares: when Egypt drew with Holland in 1990, soldiers of all factions in Beirut spent the night firing into the air. When England beat Cameroon a *couple of weeks later, a Bangladeshi* man had a heart attack and a Bangladeshi woman killed herself. "The elimination of Cameroon also means the end of my life," read her suicide note.

Americans are trying hard to understand. "When Brazil lost in 1990 people were jumping off buildings," said US star striker Eric Wynalda. "I don't think anyone jumped off a building when Buffalo lost the Superbowl."

Dollar continues its cautious recovery

By Philip Gawith in London and David Waller in Frankfurt

The dollar continued its cautious recovery on foreign exchanges yesterday, helped by supportive comments from Mr Lloyd Bentsen, US treasury secretary.

Earlier in the day the US currency had been buoyed by wild rumours, later denied by US defence officials, that the US had invaded Haiti. It also took heart from firmer international bond markets.

"We're going to continue to be in accord with the Federal Reserve as far as their objectives to see that we have sustained growth with low inflation, and work toward a strong dollar," Mr Bentsen told reporters.

The dollar closed in London at DM1.5457 from DM1.5383 on Wednesday. It finished at Y98.28 against the yen from Y98.155. During US trading it touched DM1.5560 and Y98.65, before easing back.

Traders said the dollar's bounce back was being supported by technical factors, but were not prepared to say that the recent bear trend had been reversed.

Earlier the dollar had received some muted support from Mr Hans Tietmeyer, the Bundesbank president. He told a lunch in Frankfurt that "the world economy has an interest in an internally and an externally stable dollar."

He made clear, though, that "the prime responsibility for the dollar's strength lies in the US itself. The thesis current at the beginning of the seventies – it's our currency but your problem – is clearly too short-sighted," he said.

> 'The thesis that it's our currency but your problem is clearly too short-sighted'

The economic data that emerged in the US provided a confused message for the dollar. June retail sales were in line with market expectations, and May sales were revised down, providing no evidence that a Fed policy tightening is required.

The White House mid-session budget review, however, said the economy was approaching full capacity faster than expected.

More encouraging for the dollar was the recovery in US and European bond markets. One of the factors behind D-Mark strength – and dollar weakness – in recent months has been investors selling European bonds and putting the receipts into D-Mark deposits. The recovery in bond markets suggests this trend may be being reversed.

"If this is a turn in the bond markets it should be positive for the dollar," said Mr Chris Turner, currency strategist at the securities house BZW in London. "Anything that takes upward pressure off the D-Mark would have to be good for the dollar."

Dealers report that some investors are now starting to see good medium-term value in the dollar at its current levels. But they warn that it may still fall further against the yen, especially if the US continues its tough attitude towards Japan on trade issues.

Mr Jeffrey Garten, the US under secretary of Commerce, said in Tokyo that although the rhetoric had been "toned down," US strategy had not changed.

Mr Garten said "significant obstacles" remained in the way of progress.

See Markets, Currencies, Second Section

Washington closer to Haiti invasion

By Canute James in Kingston and Jeremy Kahn in Washington

The US has told regional Caribbean leaders that it will invade Haiti with a multinational force if the country's military regime has not imploded within three weeks, and providing the United Nations Security Council says the action is necessary.

According to Caribbean officials, in a series of meetings last week, Mr William Gray, the US adviser on Haiti, and senior representatives of the US National Security Council, the Department of Defence and the US Army Command, told regional leaders the US was "alarmed" at the increase in the numbers of boat people over the past fortnight.

The US officials reportedly told Caribbean leaders the US felt that the only way to end the flow of boat people was to force the military to leave office, and that it was willing to play a prominent role in a multilateral operation.

However, congressional and administration officials inthe US insisted yesterday that only US forces would be used in any invasion.

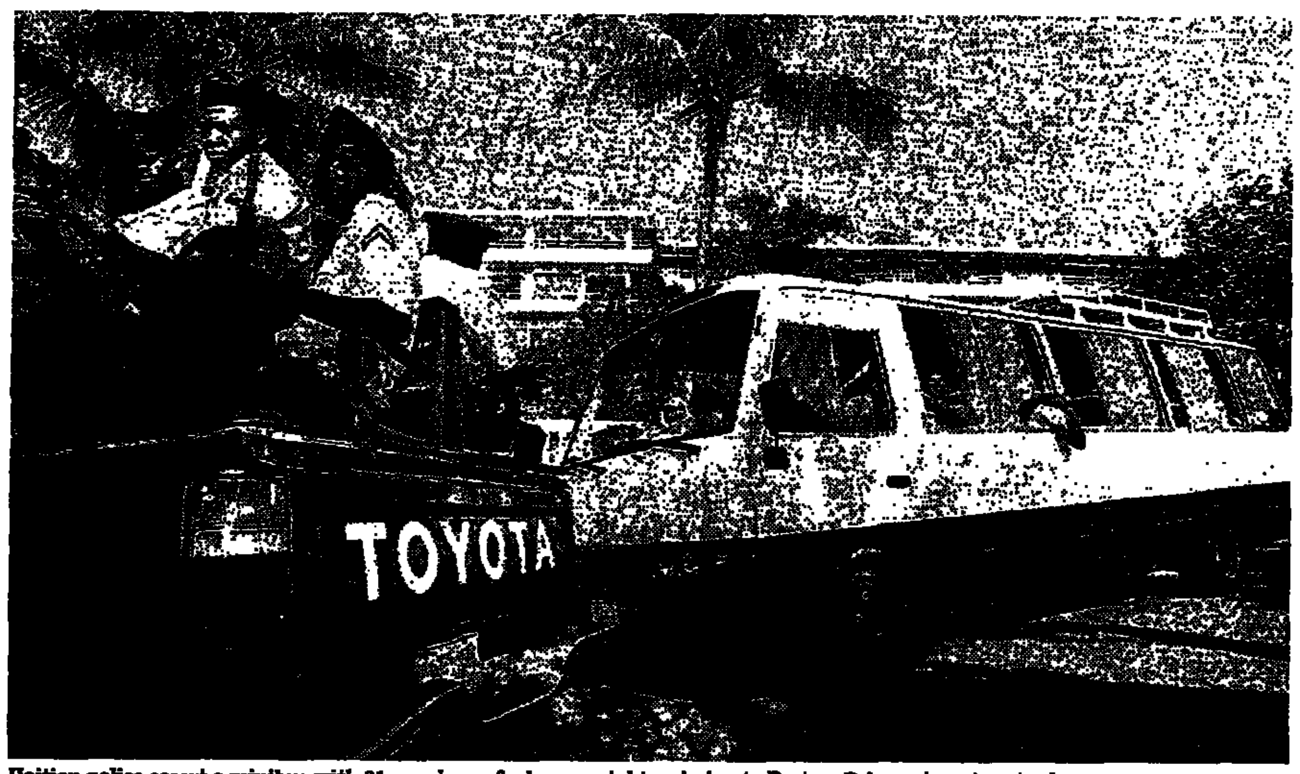
Haitian police had earlier escorted a minibus with 21 human rights mission members to the Port-au-Prince airport after an expulsion order from the ruling Haitian military government.

The mission, charged with monitoring human rights in the country, was expelled for performing "subversive activity."

Meanwhile, senior administration and Pentagon officials said yesterday that US forces had rehearsed an emergency evacuation of civilians on the island of Great Inagua, in the Bahamas, on Wednesday. The operation was similar to the operation that would be used to rescue US or other citizens from Haiti, they said.

The 400 US Marines who carried out the exercise, are part of a force now numbering 2,800, which is positioned off Haiti's coast.

Their mission is to evacuate the 5,000 US nationals in Haiti should their lives be in danger, but so far the Caribbean nation's military regime has made no threats against these civilians.



Haitian police escort a minibus with 21 members of a human rights mission to Port-au-Prince airport yesterday AP

US retail sales increase by 0.6% in June

US retail sales increased 0.6 per cent between May and June after falling for two consecutive months, the Commerce Department said yesterday. The report followed other recent signs of renewed economic vigour including a 379,000 increase in non-farm payroll employment in June – far above Wall Street projections, writes Michael Prowse.

The recovery in retail sales mainly reflected higher sales of motor vehicles which rose 1.5 per cent from May. Other strong sectors included building materials, up 2.7 per cent, and department stores, up 1.8 per cent. Overall, retail sales are running 6.6 per cent higher than in June last year, before allowing for inflation of about 2.5 per cent.

Officials released revised figures for May showing a decline of 0.4 per cent rather than 0.2 per cent as initially reported. Analysts expect real consumer spending to grow at an annual rate of little more than 1 per cent in the second quarter, down from 5.2 per cent in the first three months. But strong growth in capital spending, a rebound in construction and a rebuilding in corporate inventories are expected to compensate for weaker consumer spending.

Clinton tour shows US loss of direction

By George Graham in Washington

There was a time when an American president could help his standing at home by striding majestically across the world stage, basking in the adulation of huge crowds from Berlin to Beijing.

But for President Bill Clinton, a weeklong trip across Europe has done little to enhance his stature at home, while distracting him from pressing domestic issues such as the devastating floods in Georgia or the critical phase of his healthcare reform plans.

There is even a sneaking suspicion that his travels have not done him much good abroad, either. Leaders of the other Group of Seven leading industrial nations rebuffed Mr Clinton's principal initiative at their Naples summit, a last-minute proposal for new trade liberalisation talks. President Boris Yeltsin of Russia publicly upbraided him for blocking Russian exports and flatly contradicted him on the issue of getting Russian troops out of Estonia. And the crowds that greeted him in Riga, Warsaw and Berlin were at best politely enthusiastic, not the cheering multitudes that greeted his predecessors in the days when the Iron Curtain still stood.

Even as he travelled through Europe, Mr Clinton's time was taken up with two outlaw nations thousands of miles away, Haiti and North Korea.

Mr Jim Hoagland, the Washington Post's foreign affairs commentator, calls it "the disappearance of the American premium in international politics:" a sense that foreign leaders – from the US's G7 partners to the Haitian military junta – see little to lose in defying the US president and little to gain in making him look good.

Much of this is unconnected to Mr Clinton's own standing. The collapse of the Soviet Union and the disappearance of the Warsaw Pact have greatly diminished the significance of the US's protection to its allies, while the harsh realities of the transition to a market economy have made the American grass seem much less green to the citizens of the former communist countries.

But part is also linked to doubts over where exactly Mr Clinton and his administration stand; over whether, if pushed far enough, there is a point at which they will turn and fight.

European diplomats have been wondering, ever since the Asia Pacific Economic Co-operation summit in Seattle last year, which way the American Janus is facing: towards Asia or Europe. After Mr Clinton's third trip across the Atlantic this year, the answer is towards Europe; and within Europe, towards Germany.

In Bonn, Mr Clinton spoke of "a common partnership that is unique now because so many of our challenges are just to Germany's east." The "special relationship" with the UK he consigned to the status of a nostalgic curio: "Even though we fought two wars with them early in the last century it is unique in ways that nothing can ever replace because we grew out of them."

Senior US officials travelling with the president made it clear that they did not feel that other European countries shared with them the same degree of urgency and involvement over the integration of central Europe as Germany.

But Clinton administration officials have developed a formula for describing the significance they attach to each national or regional relationship: "No country/region is more important to us than..."

This ever-changing focus has caused some of the US's closest allies to wonder if the Clinton administration has any priorities at all for deciding what is truly important to it.

The answer from the administration is not reassuring.

"We want it all," said a senior State Department official.

Britain in push for better relations with Beijing

By Simon Holberton in Hong Kong and Our Beijing Correspondent

Mr Alastair Goodlad, a UK Foreign Office minister, arrived in Beijing yesterday for the start of a six-day visit marking the start of a concerted effort by Britain to improve its relations with China.

During his stay, to take in Shanghai and Guangzhou, Mr Goodlad will meet Mr Qian Qichen, China's foreign minister, and senior government officials responsible for China's relations with western Europe and Hong Kong.

He said on arrival in Beijing that Sino-British relations were good and "will be getting better". He is the most senior British politician to visit Peking since Mr Douglas Hurd, foreign secretary, went there a year ago.

Mr Goodlad is expected to tell his Chinese hosts the UK wants links put on a more normal footing. The two countries are permanent members of the UN Security Council and share common interests in free trade.

UK officials say the visit is not a negotiating session; they describe it as a chance to exchange views on a range of topics, which may include the safety of the Korean Peninsula after North Korean President Kim Il-sung's death.

Pressure is growing on Foreign Office ministers to recognise that, while the UK has a responsibility for Hong Kong, its bilateral relations with China will command centre-stage after the 1997 handover of the colony.

The UK government is under pressure from a restive business community which believes British business is losing out in China because of the government's stance on democracy in Hong Kong. A high-level business mission plans to visit China this autumn to improve commercial ties.

There has been evidence that China's hostility to Hong Kong's political development has cooled to the extent where Beijing will let large-scale infrastructure projects progress.

But Britain's decision to press on with Governor Chris Patten's plans for greater democracy continues to anger Chinese leaders.

Last week Mr Jiang Zemin, state president, said that while China would work for a smooth transfer of power in Hong Kong, Britain could not be trusted.

Advisers to China in Hong Kong have warned that while Beijing may be prepared to work with Britain on Hong Kong's transfer, relations would remain cool for many years to come.

A Foreign Office official said Mr Goodlad's trip would be a start to "getting the relationship back on track". The minister will spend next Wednesday in Hong Kong.

China slows economy but keeps eye out for unrest

Beijing is walking a tightrope in trying to balance growth with fears of social dislocation, writes **Tony Walker**

Mr Deng Xiaoping, China's senior leader, was quoted in a pro-Beijing Hong Kong magazine recently urging continued rapid growth in the Chinese economy.

But the "designer" of China's economic reforms will be disappointed if he expected that the breakneck speed of 13 per cent growth in gross domestic product of the past two years would be maintained.

At mid-year all the indications are that China's economy is slowing in response to tight money and credit restrictions. Economists are now forecasting growth of about 10 to 11 per cent this year and further slowing to between 7 and 9 per cent in 1995.

The key question, however, is whether the slowdown will prove too abrupt and risk a "hard landing" for the economy with associated dangers of unrest among a fractious population, especially in urban centres where unemployment and under-employment are rising.

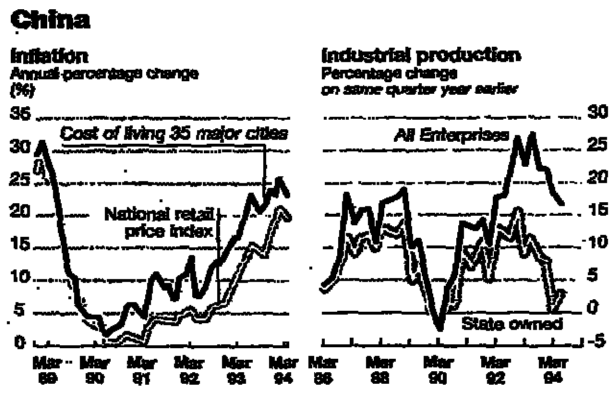
Chinese officials fear urban unrest almost as much as the continued spiralling inflation of earlier this year when cost of living increases in the 35 major urban centres exceeded 25 per cent compared with the same period last year.

Western economists in Beijing say the government is "walking a tightrope" in its continuing efforts to balance the political need for high growth with fears of social dislocation caused by rising prices.

In the past month or so efforts to sustain relatively high economic growth appear to have taken precedence over the inflation fight. Credit restrictions have been loosened somewhat to provide working capital for faltering state enterprises which have suffered in the squeeze.

Latest statistics reveal the impact on the state sector of the credit restrictions. Losses to April by medium and large state firms were up by 63 per cent compared with the first four months last year. The proportion of loss-making enterprises had increased to about 47 per cent compared with 30 per cent in the first quarter of 1993.

By contrast, output of township and village enterprises – mostly small co-operative ventures – was up by 48 per cent in the four months to April compared with last year. Industrial output of foreign joint ventures rose by 68 per cent in the same period.



The authorities have also begun to give much greater emphasis to assisting the agricultural sector in response to signs of growing unhappiness in rural areas with growth in peasant incomes lagging well behind urban employees.

"The concern of the government has clearly shifted from macro-stability to agriculture and emerging urban unemployment problems," said Mr Peter Bottelier, the World Bank's chief representative in Beijing. "Sectoral problems rather than macro-problems are now dominating the scene."

The annual increase in the national retail price index peaked at 20.8 per cent in February after rising sharply from 8.4 per cent at the beginning of 1993. Cost of living increases of 25.9 per cent also reached their highest level in February before beginning to fall back.

Economists forecast that retail inflation would come down to about 16.5 per cent in the June quarter and cost of living rises would be in the order of 18-20 per cent for the half year compared with last year.

Producer prices have also been falling – by some 50 per cent since mid-1993. This augurs well for a further reduction in consumer prices through the rest of the year.

But Western economists also note that the re-introduction of price controls earlier in the year on some 20 basic items, including services, was a significant factor in slowing growth in prices.

Among slightly ominous recent developments as far as the continued liberalisation of China's economy is concerned have been signs that the leadership has begun re-emphasising central planning, including the re-introduction of grain production targets.

But at this stage in what has proved a difficult process of seeking to stabilise a runaway economy – 1993 economic growth reached an unsustainable 13.4 per cent – Chinese leaders would seem to have reason to be quietly satisfied with developments.

Among other positive indications is the slowdown in industrial production to a more manageable 18 per cent in the first quarter compared with a peak of 37 per cent in the second quarter last year. Investment demand is also weakening.

Growth of investment by state enterprises fell to about 38 per cent in the first four months of 1994 compared with peak rates of more than 70 per cent last year. In line with the government's attempt to re-direct funds towards infrastructure, investment in transportation and energy has continued to grow while that in machinery, light industry and real estate has been curbed.

The government might also be well satisfied with fiscal developments. While information is sketchy about the success of new tax reforms, including the introduction of a value-added tax, tax receipts have exceeded targets, according to the finance ministry.

The sale by the end of June of some Yn100bn (£7.6bn) of two and three-year treasury bonds surpassed expectations and is being hailed as an important success in the battle to drain liquidity from an over-heating economy.

National savings rates have also been rising again after wavering last year amid near panic about rising prices which pushed people into buying gold and household durables. Urban and rural savings were forecast to reach Yn1,770bn in the June quarter, a 38 per cent increase over the same period last year.

But for all the positive signs, economists say that Chinese economic managers are not out of the woods. Not least of their problems is the debt-crisis among state enterprises caused by firms being unable to pay each other for supplies of raw materials or finished products.

This in turn is complicating efforts to push ahead with state enterprise reform and at the same time improve the balance sheets of the specialised banks.

As one western official said: "The leadership continues to be involved in a very difficult balancing act."

Sweeping changes urged on UN

By Michael Littlejohns, UN Correspondent, in New York

A privately funded study of the United Nations and its agencies proposes sweeping reforms to meet global problems that "can no longer be neglected without catastrophic consequences".

The authors – former international civil servants with considerable experience in the workings of the organisation – are Sir Brian Urquhart, a British war hero who was the UN's first employee in 1945, and Mr Erskine Childers, grandson of a former Irish president and an authority on third world development problems.

In their report, financed jointly by the Ford Foundation and the Dag Hammerskjold Foundation of Sweden, they state that as the UN nears its 50th anniversary next year there is mounting concern about its ability to remain an effective mechanism for peace and security in an increasingly complex world.

The authors recommend radical reforms in the International Monetary Fund, created by the Bretton Woods conference held 50 years ago this month. Third world nations have long criticised the Fund and the World Bank and the report notes that, despite or because of these institutions, 20 per cent of the global population still holds 80 per cent of world wealth.

Sir Brian and Mr Childers call for a UN monetary, financial and trade conference to develop an equitably governed, low-interest capital lending facility, and an equitably governed monetary fund working with a similarly governed universal trade organisation.

They also see a need for a single UN development authority consolidating all present UN development funds, and a consolidation of now-scattered UN relief operations.

Another proposal is for the establishment of a UN humanitarian security police force. Critics have accused the world body of allowing politics to influence too many decisions relating to human rights and humanitarian affairs.

The report calls for an inter-governmental consultative board for the UN system as a whole, an executive committee comprising the secretary-general and heads of specialised agencies, and a new documentation office responsible for creative management of economic and social reports.

The financially strapped world body could operate more efficiently from a single headquarters, the report advises. This need not be in New York or Geneva, although Sir Brian told correspondents at a briefing that he believed keeping New York as the centre would maintain the interest and support of the US.

Germany is prepared to offer inducements to the UN to move many or all operations to Bonn after the German capital transfers to Berlin, but so far this has not been seriously considered by member states.

Mr Boutros Boutros Ghali, secretary-general, had yet to study the report, his spokesman said. The document is not the first such contribution by the authors to debate about the shape and future of the UN. While their expertise is widely respected, far-reaching proposals are likely to encounter opposition in a body fundamentally averse to change.

Renewing the United Nations System. Erskine Childers with Brian Urquhart. Dag Hammarskjold Foundation, Ovre Slottsgatan 2, S-753 10 Uppsala, Sweden, or Ford Foundation, 320 East 43rd Street, New York, NY 10017, US.

Nigerian court blocks bail for Abiola

By Paul Adams in Lagos

Mr Moshood Abiola, the winner of an annulled Nigerian presidential election last year, was refused bail yesterday on a technicality and faces trial for treason on July 28, as oil workers rejected claims by the military government that the strike which is bringing Lagos, the commercial capital, to a standstill was easing.

The judge in a recently created High Court in the capital Abuja ruled out Mr Abiola's bail request, which was made orally, as he said it should have been in writing. Mr Abiola was arrested last month for declaring himself president one year after his election victory was overturned.

The millionaire Mr Abiola, who looked sickly and frequently coughed in court, complained about the poor cells in which he was being kept.

Oil workers on strike in southern Nigeria are protesting against the actions of the military government, and are also critical of the state's lack of investment in the oil industry. The main producers of Nigeria's output of up to 2m barrels a day of crude oil say they are maintaining output but that, without key staff, they are "limping along".

The government claimed yesterday that the key Warri branch of Pengassan, the senior staff union, was ending its strike, although this was denied by Pengassan's head office in Lagos. The strike has stopped the Warri terminal producing natural gas for Nigeria's four thermal power stations in southern Nigeria.

The plants have all stopped working and there is no mains electricity in the south-west. Supplies of diesel in the region are also running out as offices, factories and homes rely on back-up generators.

Filling stations are nearly all dry and fuel is selling with a mark up of 1,000 per cent on the black market. In northern and eastern Nigeria supplies of fuel are normal but, although reaching Lagos harbour, the strike prevents supplies being distributed into the city.

A split appears to have emerged between northern and southern members of Pengassan. The Kaduna refinery in the north is not on strike but is not receiving crude oil from Warri. At the country's main refinery in Port Harcourt, workers of northern origin are considering staying at work while those from the south propose to strike.

Two northern branches of the Nigeria Labour Congress ruled out a political strike ahead of next Tuesday's vote by the executive of the congress on a general strike in support of the oil workers.

Pressure on Bolger as MP resigns

By Terry Hall in Wellington

New Zealand faces a month of political uncertainty after the surprise resignation from parliament of Ms Ruth Richardson, former finance minister. The National government would lose its slender majority if it lost Ms Richardson's marginal seat in the resultant by-election.

Mr Jim Bolger, prime minister, said on television last night he had been tempted to call a general election to ensure a stable government. "However, I was elected to lead for a full three-year term," he added.

The leader of the two-seat opposition Alliance party said he would vote to ensure the National party continued in government if it lost the Selwyn seat, "provided it does nothing controversial".

The government is riding high in the opinion polls after recent economic successes, and Mr Bolger acknowledged he was under pressure from his party to hold a snap election. This would be held under the Westminster first-past-the-post system; a referendum last year voted in favour of a switch to the West German system of proportional representation, but the necessary legislative procedures are not yet in place.

Ms Richardson is one of the most powerful and outspoken right-wing MPs, and from 1991 was widely credited with being the principal architect of a series of sweeping government economic reforms.

Ms Ruth Richardson at a press conference yesterday to announce her resignation Reuter

Her strong views made her politically unpopular, however, and she was sacked after the last general election when the National party won 50 seats against the 49 held by opposition parties.

She said yesterday that one of her chief accomplishments came this month when as a backbencher she steered through parliament a Fiscal Responsibility Bill which forces future governments to disclose budgetary information on a quarterly basis.

Ms Richardson said she was resigning to follow family and business interests, and did not want to be carried out of parliament "in a box". She said the resignation had nothing to do with being sacked as finance minister, and she would not be joining another political party.

Financial markets reacted sharply to the news, with the New Zealand dollar losing nearly a cent against the US currency, and interest rates rising strongly.

NEWS IN BRIEF

Portugal hits at E Timor attack

Portugal protested yesterday at an attack by Indonesian soldiers on a student demonstration in the troubled island of East Timor and called for a strong international response, Reuter reports from Lisbon.

"Portugal wants a strong international reaction to the events in the territory," the Portuguese news agency Lusa quoted Mr Jose Manuel Durao Barroso, foreign minister, as saying. Lisbon felt obliged "vehemently to protest at the intolerable situation in East Timor," he declared.

Up to 20 people were injured yesterday in clashes between student protesters and the Indonesian security forces, the worst recorded confrontation in East Timor since Indonesian troops opened fire on mourners for a pro-independence activist in November 1991, killing up to 200 people.

An Indonesian military official in the East Timor capital Dili said two students had been injured and 10 arrested as the security forces stopped several hundred protesters marching from the university campus to the regional parliament. But residents said about 20 people had been injured; some reports said three people had been killed.

Ex-premier to be sentenced

Mr Brian Burke, 47, former premier of Western Australia, was found guilty yesterday of four charges of false pretences, and is due to be sentenced today, Reuter reports from Perth.

Mr Burke, who served as Australian ambassador to Ireland between 1988 and 1991, was released on bail of A$25,000 (£11,904). He had pleaded not guilty to obtaining more than A$17,000 on four separate occasions from a parliamentary account which provides money for politicians to make approved trips out of state. Each charge carries a maximum penalty of three years' jail.

Murdoch journalists strike

Journalists at Mr Rupert Murdoch's Australian newspapers began a nationwide strike yesterday over a dispute involving the introduction of new technology and a wage claim, Reuter reports from Sydney.

A total of 1,300 journalists walked off the job until tomorrow, said Mr Chris Warren of the Media, Entertainment and Arts Alliance union. But Mr Warren Beeby, editorial manager of Mr Murdoch's News group, said all the company's newspapers would be produced as usual.

Hutu moderate leader flies in

Mr Faustin Twagiramungu, a Hutu moderate named by the Tutsi-dominated Rwanda Patriotic Front to head a national unity government, arrived in the capital Kigali on a UN aircraft from Uganda, saying his first priority was to reassure Rwandans fleeing a rebel advance, Reuter reports from Kigali.

Elderly give Singapore's leaders grey hairs

'Sue Your Son' bill passing through republic's parliament aims to make adults responsible for needy parents, writes **Kieran Cooke**

Like many countries, Singapore will in future have fewer people of working age supporting an expanding pool of elderly. "I worry that in 30 years' time our economy may lose some of its drive, vigour and competitiveness," says Mr Goh Chok Tong, Singapore's prime minister.

According to government projections, about 30 per cent of Singapore's population will be over 60 in the year 2030, compared with today's figure of 9 per cent.

Radical solutions are being proposed.

The Maintenance of Parents Bill, now going through parliament, would compel adult offspring to give financial support to needy parents. Under the terms of the privately sponsored but government supported bill, children who failed to comply would be liable to fines and jail.

The "Sue Your Son" bill tackles a number of government obsessions. Singapore is one of the most economically successful countries in Asia; a country of fewer than 3m people, it has foreign exchange reserves of more than US$40bn (£26.3bn). Average annual per capita income, at more than S$25,000 (£10,600), is exceeded in Asia only by Japan. The economy grew by 9.9 per cent last year.

Yet economic success has not brought any comprehensive welfare system. Welfare, according to the government, is part of the "democratic distemper" which has caused western economies to become sluggish and lose their competitive edge.

Instead, a central provident fund (CPF), a compulsory savings scheme to which both workers and employers contribute, is supposed to cover the needs of old age. CPF savings can be withdrawn only when workers reach 55, although they can be used to raise mortgages and recently the government has allowed a portion of CPF funds to be used for share purchases.

It would be a disaster, says Mr Goh, if companies and young workers had to be taxed heavily to support a large number of elderly Singaporeans. "I worry that what is happening to the developed countries can also happen to Singapore," he says. "If we lose our competitiveness... our growth will falter and Singaporeans will become unemployed."

Singapore watchers see other reasons behind the government's support for the parents bill.

According to the government, the family – with its emphasis on filial piety, obedience and discipline – is the core of an Asian value system, responsible for political and social stability as well as encouraging traits that lead to economic success. In this ideal, Confucianist world, the family also acts as a bulwark against what are seen as corrosive western influences.

In the early 1980s Mr Lee Kuan Yew, the then prime minister, visited a new housing development. He was dismayed to find it had two homes for the elderly.

"It is not something to be proud of," said Mr Lee. "It must not be encouraged... it is unsound for a government to take over family responsibilities for we shall damage the basic unit of society, the family, the building bricks of our society."

Recently Mr Lee, now senior minister in Mr Goh's government, suggested that parents aged between 35 and 60 be given a double vote. According to Mr Lee this would give those who contribute most to society a greater say. Once past 60 Singaporeans would revert to a single vote – otherwise, said Mr Lee, the elderly could have a disproportionate influence and pressure the government for more welfare.

Critics say the government, by supporting the parents bill and constantly emphasising the family unit, is ignoring social trends.

As in many western countries, divorce rates in Singapore are rising – almost doubling in the last 10 years. Birth rates, particularly among Singapore's more affluent and educated, are falling. This has long-term economic implications.

Already Singapore has chronic labour shortages and imports about 300,000 workers from neighbouring countries to make up the shortfall. Up until the mid-1980s the government promoted birth control with a "two is enough" slogan. Now it exhorts couples to have "three or more".

However, procreation must take place within the family unit. The government frowns on those merely living together. Unmarried couples cannot combine their CPF funds to buy public housing and also face restrictions in the private sector. With property prices rising rapidly, such rules are hurting.

Many say the government's policies avoid not only social realities but economic circumstances. They point out that even in affluent Singapore there are many who need state help and welfare. Some families will not necessarily be able to support ageing parents.

In future years Singapore's elderly population is likely to cause a few grey hairs among the island republic's leadership.

An article on a proposed state pension scheme for Hong Kong appeared in the Financial Times yesterday.

Britain's defence ministry balances independent traditions of three services

Forces plan marks hard-won victory

By Bruce Clark and Roland Rudd

For Britain's defence ministry officials, the plan announced yesterday represents a hard-won victory, over some stubborn vested interests, for the commonsense idea of joint or "tri-service" facilities.

The ministry has had to contend with the staunchly independent traditions of the three services, as well assome more practical objections.

Under the new principle – referred by the ugly new word "jointery" – there is to be a tri-service hospital and a tri-service staff college. Joint arrangements will be promoted in areas such as flying instruction. music lessons and veterinary care.

Operational commands are by definition "tri-service" to the extent that most wars are fought on land, sea and air. Now there will be a permanent tri-service operational headquarters at Northwood, north west of London.

Ministry officials believe a single establishment to oversee operations in conflict zones will be better than what one called "the current ad hoc approach of setting up such a headquarters only in response to a developing crisis." Senior officers are known to have doubts about concentrating operational command in one, potentially vulnerable spot.

There will be a warmer welcome for plans to bring the services together in a 20,000-strong Rapid Deployment Force, including men from the Parachute regiment, Royal Marine commandos and RAF aircraft.

The three service hospitals have been judged to have far more beds than the forces require in their slimmed-down condition – the proportion of beds occupied by service personnel varies between 25 per cent and 55 per cent. The ministry has decided to close hospitals at Aldershot, Hampshire, and Wroughton, Wiltshire. All secondary medical care will be concentrated in a tri-service agency.

A joint staff college is to be established by 1997, where up to 240 officers at a time will take 10-month courses in tactical and operational doctrine.

The ministry has ruled out the RAF college at Bracknell as a site for the new institution, and is weighing up whether to use the Army school at Camberley or the historic naval college at Greenwich, south London.

The ministry will be under some pressure to use the Greenwich premises for some other purpose if it concentrates staff training at Camberley. The ministry is also studying proposals to establish a single helicopter flying school for all three services by 1997, either at Middle Wallop or RAF Shawbury.

The care of animals is future to be concentrated at a site at Melton Mowbray in Leicestershire, with the closure of RAF Newton.

£5bn worth of military orders placed

Bernard Gray looks at the companies likely to provide equipment for the three armed services

Announcements yesterday by Mr Malcolm Rifkind, defence secretary mean that all three services will get new equipment. However, most of the orders had been expected to be announced whether or not the cutbacks had gone ahead. The total value of the orders placed and invitations to tender was over £5bn, according to Mr Rifkind.

Two additions to the MoD's shopping list were an order for Paveway 3 laser-guided bombs and an intention to buy submarine-launched Tomahawk cruise missiles if agreement can be reached with the US government and the manufacturers. Both are being ordered in the light of Gulf War experience, where smart munitions proved extremely effective.

The Paveway is manufactured by Texas Instruments, but British Aerospace has substantial work on the weapon, which is dropped from Tornado ground attack aircraft. McDonnell Douglas and Hughes of the US make the Tomahawk.

The Royal Navy is to get two Landing Platform Docks as replacements for the Fearless and Intrepid assault ships, which are due to be retired. Of UK shipyards only Swan Hunter on Tyneside, currently in receivership, or VSEL at Barrow have facilities to handle such large vessels.

An invitation to tender has also been announced for a second batch of up to six Trafalgar class nuclear hunter-killer submarines, to replace the navy's ageing Swiftsure submarines. The competition for the order is expected to be between VSEL, the traditional submarine manufacturer, and Yarrow on the Clyde, which is owned by GEC.

Vosper Thornycroft won an order for seven Sandown class minehunters which will be built at Southampton. The order was worth £250m in total, around £150m of the work to be done by Vosper. It secures about 450 jobs for 4 years, with production starting in 1995.

Widespread expectations that another batch of Type 23 frigates would be ordered were not fulfilled. However, the MoD did indicate that a further frigate order was likely later in the year. That order is expected to go to Yarrow if a satisfactory price is agreed.

The army got the largest single order placed firmly yesterday, when it was confirmed that 259 Challenger 2 tanks would be bought from Vickers defence systems. Vickers was asked to tender for the tanks last year when it was decided not to update the Challenger 1 fleet. The order is worth £1.1bn in total and £800m to Vickers, and will secure work at the company's Newcastle factory until the end of the century.

Sir Colin Chandler, chief executive of Vickers, said the order "is good for the army and for Britain. It provides a formidable yet cost-effective weapons system. The endorsement of Challenger 2 will boost its export prospects in those markets which traditionally look to Britain for a lead."

Royal Ordnance also received an order for 400,000 rounds of mortar ammmunition worth £50m.

The Royal Air force was not forgotten. Its 14 Tornado GR1 ground attack aircraft are to get an extensive mid-life overhaul. The order is worth £700m and will secure 1,000 jobs at British Aerospace's Warton site in Lancashire, as well as a further 600 jobs in first tier suppliers such as GEC-Marconi. In its statement the MoD stressed that the Tornado work would help maintain BAe's manufacturing base until production of the Eurofighter 2000 comes on stream in 2000.

Mr Dick Evans, BAe's chief executive, welcomed the orders. This is worth a total of £1bn to BAe, and will secure jobs within the company and many of its suppliers," he said. BAe will benefit from the Tornado and Paveway programmes, and also would supply command and control electronics for any Type 23 frigates and Trafalgar class submarines which were ordered.

Another senior figure in the defence industry welcomed the news. "This suggests that they have stopped the retreat on force levels," he said.

As well as procuring new weapons, Mr Rifkind also said that the forces' fighting capability would be improved by the retention in service of a frigate and a nuclear submarine which were previously to have been mothballed.

Rifkind: orders soften the blow of 18,700 job cuts

Britain in brief

No action on Falklands allegations

No British soldiers will be charged with alleged war crimes against Argentinians during one of the battles of the Falklands campaign, it was announced.

The decision by Mrs Barbara Mills, director of public prosecutions, was greeted with widespread approval by MPs, military chiefs, and peers.

Mrs Mills ruled that despite an extensive 18-month inquiry by the Metropolitan Police, there was insufficient evidence to secure any criminal convictions.

The police inquiry - and an earlier one by the Royal Military Police - had been prompted by a public outcry about alleged atrocities by members of the Parachute Regiment in 1982, detailed in a book Excursion to Hell - the Battle for Mount Longdon. Twenty-three members of 3 Para battalion were killed and 47 wounded when they recaptured the isolated mountain overlooking Port Stanley, the capital of the Falklands.

Stockbroker in Iraq plea

A stockbroker fined a record £200,000 by the Securities and Futures Association for helping sell the assets of a Kuwaiti client after Kuwaiti assets were frozen following the 1990 Iraqi invasion won the right to challenge the regulatory body's decision in the High Court.

Mr Anthony O'Sullivan, a former managing director of stockbrokers Sassoon Europe, was given leave to appeal against the decision through a judicial review. It is thought this is the first case of SFA disciplinary proceedings being challenged in this way.

Mr O'Sullivan was also expelled from the SFA register and ordered to pay costs of £33,206. The client whose assets he helped sell is thought to be the Kuwaiti Investment Office, the investment arm of the Kuwait government.

Bus advert bid probed

The Monopolies and Mergers Commission is to investigate a bid by More O'Ferrall, the poster advertising company, for London Transport Advertising, the London Transport subsidiary which is being privatised.

More O'Ferrall, which is one of four bidders for LTA, said it was "extremely disappointed" about the referral and that the resulting delay could jeopardise its chances of a successful bid.

LTA generates about £23m a year from the sale of poster space in Underground stations and on buses and trains.

The Department of Trade and Industry is concerned that More O'Ferrall's proposed acquisition "raises competition concerns in the poster advertising market in the London area which merit investigation by the MMC".

Railtrack faces profit curbs

Tough curbs could be imposed on the profits of Railtrack, the company which has taken over British Rail's track and signalling, if proposals unveiled yesterday by the rail industry regulator are put into effect. In a detailed assessment of the proposed access agreements to be signed between Railtrack and the train operating companies, Mr John Swift, QC, suggested that commercial pressures could require Railtrack to reduce the value of its assets and the level of return it made on them.

"The combined effect might be to impose a significant reduction in Railtrack's profitability post-privatisation," the rail regulator said.

Code to protect street trees

A national code of conduct affecting the way in which Britain's streets are to be dug up is to be launched this Autumn by the privatised power, gas, water and telecommunications industries in a bid to protect thousands of endangered trees.

Green corporate policies spread

The number of companies with an environmental policy has increased from 46 per cent in 1992 to 58 this year, according to a sample surveyed by the Department of the Environment. The proportion of companies with an energy policy rose from 34 per cent to 46 per cent.

Directors 'take pay cuts'

One in five directors in some of the UK's biggest companies took a pay cut last year according to a report that contradicts the popular image of senior management drawing inflated salaries.

The report by Korn/Ferry Carre/Orban International, surveyed salaries of more than 1,000 senior executives, mainly at board level, in 154 of the UK's largest companies.

Confidence found on jobs

Britain's businesses plan to hire more staff in the three months to the end of September in spite of expectations that new orders will grow at a slower rate, according to the latest quarterly survey from Dun & Bradstreet, the business information group.

The company's poll of 1,500 managing directors found that 40 per cent expected to increase staffing levels compared with a year ago during the current three month period, against 11 per cent planning a reduction.

Heroin haul worth $25m

Customs officers carrying out a random check on a lorry found 150 kilos of heroin worth about £25m hidden behind a false bulkhead. The lorry, from Bulgaria, had arrived at Dover on a ferry from Zeebrugge, Belgium. The driver, a Bulgarian, was being questioned by customs officers last night.

Channel 5 decision postponed

By Raymond Snoddy

A decision on re-advertising the licence to run Britain's new Channel 5 was yesterday postponed until September by the Independent Television Commission amid concern that the government may have damaged the venture's financial viability.

The delay came as the National Heritage Department unveiled compromise proposals allowing Channel 5 to go ahead – but to a reduced audience – using existing analogue technology.

The proposals keep open the possibility of up to 12 new digital channels being launched sometime in the future. Digital technology allows television viewers to receive programmes on much wider screens.

All the proposals are for channels using over-the-air transmissions, rather than satellite or cable.

Following the government's announcement, the ITC said it was concerned that one of the two frequencies originally approved for Channel 5 would no longer be available. This would reduce coverage from the original 74 per cent of the population to about 50 per cent.

The ITC turned down the only bid for the Channel 5 licence 18 months ago.

The commission said yesterday it would consider, with a view to deciding in September, whether the latest plans "do form the basis on which the ITC can proceed to re-advertise the licence and, if so, when and on what terms."

Channel 5 Broadcasting, a consortium which brings together MAI, the television and financial services group, Time Warner, the US media giant, and Pearson, the media group that owns the Financial Times, welcomed the government announcement. Pearson and Time Warner were involved in the original failed bid for the Channel 5 licence.

Mr Ruud Hendriks, managing director of NBC Super Channel, the satellite channel controlled by NBC, the US network company, said the company planned to bid if the licence was advertised.

EU court in key ruling on pregnancy

By David Goodhart and John Mason

British women who are sacked as a result of becoming pregnant will now be able to claim a breach of the Sex Discrimination Act 1975, and thus much higher compensation awards, following a ruling in the European Court of Justice.

The decision was played down by government ministers but welcomed as an important breakthrough by the Trades Union Congress and the Equal Opportunities Commission.

It could result in more £100,000-plus awards similar to those made recently to women soldiers sacked by the Ministry of Defence.

However Mr Ira Chalphin of the Institute of Directors warned that the ruling would make women of child-bearing age less attractive to employers. "The law is increasingly saying to employers 'beware of these people'", he said.

Other employers organisations were more cautious but some said privately that they believed the ruling would lead to fewer women of child-bearing age being taken on.

The case was taken to the European Court by Mrs Carole Webb, 25, of West Drayton, London, who was dismissed from her clerical job at EMO Air Cargo Ltd in June 1987.

She had been taken on as a replacement for another woman soon to begin maternity leave but was dismissed when she discovered that she too was pregnant.

Mrs Webb claimed that this was a breach of the Sex Discrimination Act and took her case to an industrial tribunal, the employment appeal tribunal and the the Court of Appeal, losing in all three places.

The House of Lords then ruled that there was nothing special about pregnancy that should cause a woman to be treated differently from a man or woman unavailable for work on medical grounds. However, it asked the European Court for a preliminary judgment on the issue.

The European Court disagreed with the Lords, finding that pregnancy cannot be compared with male illness and that Mrs Webb's dismissal therefore amounted to sex discrimination.

The European Court ruling also insists that pregnant women are entitled to the protection of the law from the first day of employment, rather than after two years service. The two year qualifying period was being abolished in the new European Union maternity directive which will take effect in October.

MPs attack European trawler proposals

New conservation measures proposed by the European Commission which would limit the number of days trawlers are permitted to operate were attacked by Conservative backbenchers and opposition MPs in the Commons last night, Ivor Owen writes.

Mr Michael Jack, fisheries minister, said government officials would meet representatives of the fishing industry next Thursday. He indicated that the proposals were unlikely to be discussed by European Union fisheries ministers until November.

Mr Jack said £8.3m would be available in the current financial year for the next stage of the decommissioning scheme which had so far resulted in 135 vessels being removed from the British fleet. He said fishermen would still need to exercise constraint to promote stock conservation.

Bleak prospects: council flats in Liverpool reflect what many see as a widening gap between rich and poor. The government disputes that absolute poverty is spreading

New row over extent of poverty

Controversy over the extent of poverty in the UK was renewed by government figures showing that real incomes of the bottom 10 per cent of the population have fallen by 17 per cent since 1979, writes Alan Pike.

This maintains a continuing pattern of decline in the after-housing costs income of the bottom group. It fell by 14 per cent between 1979 and 1990-91, and was 17 per cent lower by 1991-92.

On an alternative basis of measurement before housing costs are taken into account, the real income of the bottom 10 per cent is unchanged since 1979. Publication of the figures in the Households Below Average Incomes analysis, drew starkly different responses.

The government argues that the figures reflect an increase in unemployment during the recession rather than a growth in absolute poverty. The figures, say anti-poverty campaigners, show the UK is developing into a US-style society with a widening gap between its richest and poorest.

London set for new move on Ulster

Philip Stephens says the British government is also to press for a constitutional concession by Dublin

The British government is willing to consider amendments to the 1920 Government of Ireland Act as part of the effort to secure a new political settlement in Northern Ireland.

But Mr John Major, the British prime minister, will today tell his Irish counterpart Mr Albert Reynolds that an explicit pledge by Dublin to modify the Republic's constitutional claim to the province is vital to any hope of an agreement.

British officials insist that it will be impossible to restart talks between the constitutional parties without a commitment by the Republic to incorporate into article two of its constitution the principle of majority consent in Ulster to any change in the status of the province.

Moderate unionist leaders have made it clear that they will not participate in a resumption of the "three-strand" search for a political settlement without such a pledge from Dublin.

But Mr Reynolds has been reluctant to give any firm commitment in advance of the conclusion of an overall accord between unionists and nationalists. As a result, talks between London and Dublin on a framework document to restart the talks process have become deadlocked.

Mr Major and Mr Reynolds will seek to break that deadlock at their meeting today on the margins of the European Summit in Brussels.

Despite recent gloom in both capitals about the prospect of a breakthrough before the Anglo-Irish summit pencilled in for late next week, officials in London have not ruled out the possibility the two prime ministers will find a compromise. If they do not, the expectation is the summit will be postponed until September.

British officials say that Mr Reynolds' recent public calls for changes in the Ireland Act have not yet been matched by specific suggestions for amendments.

There is also some puzzlement as to why Dublin regards that legislation – which predates the division of Ireland – as such an important symbol of Irish partition. The 1973 Northern Ireland Act is a much clearer assertion of Westminster's sovereignty over the province.

But as long as the principle of consent is not undermined, the view in London is that the government is ready to consider changes to the 1920 legislation as part of a package to restart the process.

Sir Patrick Mayhew, the Northern Ireland Secretary, told the House of Commons yesterday that he saw no particular need for changes but was ready to consider any proposals.

It is understood that the liaison group drawing up the proposed framework document has still to settle the proposed form of the new cross-border groups demanded by nationalist politicians in the province as a quid pro quo for the creation of a new Ulster assembly.There are some differences remaining also over the degree to which the two governments should seek to prescribe the form of devolved administration.

But the London government appears confident they could quickly be resolved if Mr Major and Mr Reynolds break the deadlock over the constitutional claim.

By contrast there appears little optimism in London about the prospects for an early end to violence in the province. The government still believes that the faction represented by Mr Gerry Adams, the Sinn Féin president, is looking for an escape route from the violence to allow it to join the talks process. But the apparent determination of hard-line sections of the IRA to continue the killing has all but extinguished hopes of a quick "clean" break with the last 25 years.

● An influential committee of MPs is putting pressure on the Office of Fair Trading to launch a formal investigation into the price of bread in Northern Ireland.

The recently established cross-party Northern Ireland committee yesterday wrote to the OFT to express its concern about the differential in bread prices between the province and the rest of the UK.

The letter followed an appearance before the committee by the General Consumer Council for Northern Ireland.

According to the GCC, a large loaf costs on average up to 40 per cent more in Northern Ireland than in mainland Britain, with an identical loaf costing up to 27p more.

PROPERTY

Green Belt in danger of buckling

Paul Cheeseright on pressures on the use of land in the UK's West Midlands region

Planners in the West Midlands are waiting for Mr John Gummer, the UK environment secretary, to deliver his regional planning guidance, the document which will lay down the broad patterns of land use for the next 20 years.

The West Midlands Forum of Local Authorities has given Mr Gummer its advice: it is anxious to regenerate the cities. The authorities have been expecting his response since April. He is probably still pondering the provision which ought to be made for new housing. But his guidance, when it comes, has broader implications than that.

Mr Gummer has made clear his opposition to more out-of-town shopping centres. Beyond that, the guidance should make clear the government's view on how to balance the claims for economic development inside and outside urban areas. The guidance should set out how to cope with the trend towards decentralisation which has seen companies moving operations from larger centres to smaller ones.

In that context, a crucial element is the treatment of the Green Belt, the area around the towns and cities where, if there is property development, there has to be a very good reason for it.

Planners and property companies share, in general terms, the view that cities need a Green Belt around them.

"A key factor in achieving a pattern of sustainable development will be to maintain the region's two Green Belts. They are major regional assets that provide environmental benefits as well as aiding regeneration of the areas they surround," the West Midlands Forum advised Mr Gummer.

"Like most sensible people we understand the general requirement – to prevent the coalescing of big urban lumps," said Mr Anthony Glossop, chief executive of St Modwen Properties, referring to how Walsall on the north-east side of the Birmingham-Black Country conurbation might sprawl to meet Cannock to the north.

"The Green Belt has been around since 1947. It has a valid role. It needs to be applied sympathetically and reviewed from time to time – which it is," said Mr Nick Mason-Jones, managing director of Bryant Properties.

It is these questions of application and review which stir the most argument, pitting the planners and environmentalists, against the market.

"We're saying that the emphasis throughout the West Midlands should be about urban regeneration," said Mr John Finney, one of the planners at West Midlands Forum. That means that the Green Belt should be protected, that development should be drawn back into the cities rather than allowed outside them.

But that is easier said than done. The West Midlands planners would like to draw development in to the north and west of the region, to the Black Country and Staffordshire, where the local economies are weakest. However, the commercial pressures for space are more evident on the south and east of the Birmingham-Black Country conurbation.

"There is a danger of overheating in the south and south-east, where there is the greatest pressure on areas of attractive landscape," said Mr Finney. Ideally, planners want more activity to strengthen the north and west, while relieving the south and east.

This, paradoxically, might put more pressure on the Green Belt. "There is little, if any, land on the periphery of the conurbation that is not designated Green Belt. Over the past decade this has resulted in growth pressures jumping into the surrounding shire counties," says Mr Joe Valente of DTZ Debenham Thorpe, chartered surveyors.

The shire counties are now resisting growth. The effect will be to direct more growth into the metropolitan districts, "some of which will have to be located within existing Green Belt areas," said Mr Valente.

It is the perception of the demand for space and the pervasiveness of the existing Green Belt which underlies the industry's demands for relaxing the Green Belt. The level of demand is difficult to quantify but, at Arlington Securities' Birmingham Business Park, south of the city and on land extracted from the Green Belt, space was being taken in the depths of recession as decentralisation continued.

Mr Jim Johnston, Arlington's regional director, noted that companies such as Hewlett Packard, Honeywell, Norwich Union and Fujitsu Fulcrum, had moved or were moving from the inner city. Business park rents are lower than those of the central city, but the gap is narrowing.

Inevitably, companies are governed by their own interest rather than that of the planners when they take space. To forbid development in one place is not to secure it for another. "If it's not allowed to take place in Worcester, will it take place in Dudley?" asked Mr Valente.

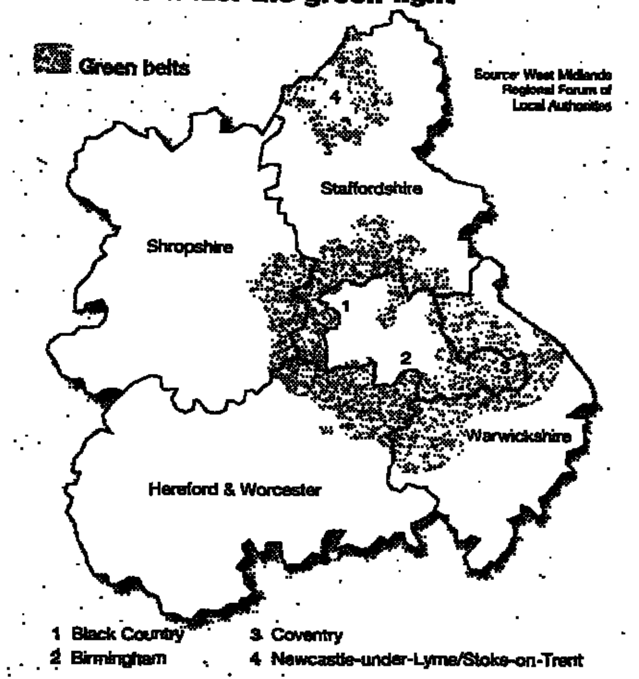
The West Midlands Forum is trying to have the best of both worlds. To satisfy business demands to get out of town, it has adopted a policy of premium industrial sites, to make good the deficiency of larger, high-quality sites in the conurbations, recognising that some of these sites may have to be in the Green Belt.

The premium sites policy provides a safety valve; it gives away a little of the Green Belt, but keeps the mass. However, the West Midlands Forum observed that "the property industry tends to equate premium industrial sites with the standard B1 Business Park, that is primarily out-of-town office development in campus form".

That is unacceptable to the planners who argue that "only those activities which could not be located within existing urban areas will be permitted. However, development must be complementary to, rather than competitive with, urban regeneration".

There is plenty of potential dispute within that definition, establishing what Mr Glossop called "the difference between principle and practice". The more flexibility on Green Belt boundaries, the less the trouble with the industry and the more the trouble with environmentalists. Perhaps Mr Gummer will clarify how much room an elbow needs.

West Midlands: the green light



PEOPLE

BET: Payne promoted, Mackenzie leaves

John Clark, chief executive of BET, yesterday promoted his long-time protégé Keith Payne to a new post as director of finance, planning and development at the business services group.

Clark says the 51-year-old, who joined the main board last year as director of strategic planning, is the ideal candidate to oversee the progressive expansion of the company's activities, particularly distribution services in North America and Europe.

The two worked together previously at Core-mark International, a US marketing and distribution company, where Clark was chairman and Payne senior vice-president of operations. Before that, they were colleagues at Singer International, where Clark was president and Payne chief financial officer.

When Clark joined BET in 1991, he invited Payne to join him; together they were credited with reducing group activities to four core areas: business services, textiles, plant services and distribution.

Payne will combine the roles of finance director and planning co-ordinator – posts which were split when BET embarked on its three-year divestment programme.

"We've finished that programme, and now we're moving into a growth phase I want to put the jobs back together," Clark said yesterday.

He also paid tribute to Bob MacKenzie, the current finance director, who is "leaving the group to pursue other business opportunities". Mackenzie, 41, a former chief executive of the International Leisure Group and financial controller at Hanson, played a central role in reducing BET's £800m debt mountain.

"This is an amicable agreement following the completion of the three-year turnround phase of BET's recovery programme," said Clark.

Industry analysts, however, questioned the wisdom of yesterday's reshuffle and suggested BET might be better served if the finance and planning departments remained separate. "Mackenzie made a very considerable contribution to BET's revival," said one analyst. "His departure is a loss to the group."

Welcome mat for Jones at ABPI

Trevor Jones, former director of research, development and medical in the UK at Wellcome, has resigned. He is leaving the board to become director general of the Association of the British Pharmaceutical Industry.

The move should add considerable weight to what has been a lacklustre association with a poor reputation for promoting the cause of the British drugs industry. Jones is a scientific heavy-weight and fine communicator. "The UK's pharmaceuticals industry has much to do. But if we can get it right, this country will remain the best place to do pharmaceuticals research," Jones says.

His departure from Wellcome represents the end of a debate at the top of the organisation about how best to manage international pharmaceuticals development.

The company has been struggling with two large development organisations: one in the UK where Jones was in charge and one in the US where David Barry was vice-president research and development. Barry has recently become director of medical affairs for the whole company.

"It was clear that we had to have a single focus. John Robb [chief executive and chairman], looked at the two approaches and decided to go for David's. It was a difficult decision, but I'm not at all bitter. Wellcome has a super R&D portfolio which I hope David will be able to make grow."

Jones says the main difference between them had been over whether to use clinical groups – in effect a team approach – or whether to give greater importance to a central leader. "There wasn't an argument between us. We both agreed development had to be done internationally," he said.

Electronic switches

Bruno Magne's appointment as managing director of France Telecom UK is further evidence of the ambitions of the French state telecom company's British ambitions.

In common with several leading continental telecoms operators, France Telecom last year established a UK subsidiary to exploit the now liberalised market for data telecoms and private corporate telephone networks, gearing itself particularly to large companies with substantial European traffic.

France Telecom has more than 100 staff in the UK, and boasts 250 customers in the corporate telephone network sector alone. Most of its customers are in the City, and last week it opened a network centre in Docklands.

Magne has been with France Telecom for 27 years, latterly as director of technical support and quality improvement for its core network. "My challenge is to ensure we offer effective local and global business solutions to our clients in the UK and look for new opportunities," he says.

Since the UK is Europe's most open telecoms market – and far more open than the French – he ought not to be short of them.

■ **Stuart Tiverton Brown** has been appointed md of POLYMETERS RESPONSE INTERNATIONAL.

■ **Charlie Abrahams** is promoted to become area director for the UK, Ireland and South Africa for AMDAHL.

■ **Chris Lucas** (below left) has been appointed sales director of TOSHIBA (UK).

■ **Peter Vyvyan-Robinson** (below right), formerly general manager, sales, is promoted to director, ICL Financial Services; he succeeds Nigel Croisdale, who is appointed vice-president trading of ICL's client server division.

Insurance moves

■ **John Trott** (above), director of Standard Life Assurance Company in Edinburgh, has been appointed deputy chairman of STANDARD LIFE in succession to Sir Lawrence Airey.

■ **Martyn Hooper** has been appointed a director of Kininmonth Lambert, part of LOWNDES LAMBERT. **Richard Bennett** has been appointed md of Lowndes Lambert Professional Indemnity Division.

■ **Andrew Calder** and **Toby Humphreys** have been appointed directors of BOWRING Financial & Professional Insurance Brokers, and **Richard Ratcliffe** a director of Bowring Worldwide Services. **Garrick Hitchen, Jonathan Steed, Dennis Wheatley** and **Bruce Wheeler** have been appointed directors of Bowring Aviation.

■ **John Newall**, md of Sedgwick, France, has been appointed md of BAIN CLARKSON's Belgian subsidiary Boels and Begault.

■ **Clive Davis** has been appointed group chief executive of FIRSTCITY INSURANCE GROUP; he and **Tim Watkins** have been appointed joint mds and **Nick Rowe** a director of FirstCity Insurance Brokers.

■ **Paul Davies**, chairman of Aon Re, has been appointed a director of RHH Group, part of AON Corporation.

■ **Peter Barrow** is appointed a director of SUN ALLIANCE Life; Jamie Woods, director and chief actuary, is appointed group chief actuary; and John Kent, deputy md of Sun Alliance Investment Management, is also appointed investment director.

■ **Arno Kitts** has been appointed chief executive (UK) of the INDEPENDENT ORDER OF FORESTERS.

■ **Keith Mandy, Neil Pearce** and **Mark Ryan** have been appointed divisional directors of SBJ Stephenson, part of STEEL BURRILL JONES.

APPOINTMENTS

TECHNOLOGY

Banana genes to be split

Ice cream bananas may be on their way to Europe and North America. Red, apple and finger bananas, too.

These are names of unusual short-lived varieties of the yellow fruit that last just long enough for the lucky inhabitants of the tropics to eat.

The rest of us have to make do with the Cavendish variety which can survive a long journey by sea and accounts for almost all the $6bn (£3.9bn) a year European Union and US banana markets.

Imports of exotic banana varieties could rise if research by UK drug company Zeneca and DNA Plant Technology (DNAP) of northern California comes to fruition.

The two companies announced a research collaboration this month to find a way of slowing the rate of ripening in bananas. The work will combine DNAP's genetic engineering expertise with Zeneca's knowledge of banana physiology.

Bananas ripen as a result of the action of the simple chemical ethylene, which acts as a hormone in the fruit. The work will try to identify which gene is responsible for controlling the release of ethylene and turn it off.

Banana aficionados may revel in their new found choice of varieties, but the real benefit is likely to be felt among growers and buyers of the Cavendish variety, according to Chris White, editor of London-based magazine Eurofruit.

"The genetically-engineered banana might be used to raise quality in regions where there are production problems. Yield could improve, too, making cultivation worthwhile in previously uneconomic areas," he says.

DNAP says that slow-ripening Cavendish bananas should also taste better and even be more nutritious.

As with many fruits, bananas are harvested while immature and left to ripen in transit. With adjusted genes, they could be allowed to ripen naturally before being cut down.

Consumers will have to wait until early in the next decade before reaping a new harvest from the shelves of their local shops: Zeneca says that a product is unlikely to reach supermarkets before then.

Daniel Green

Satellite sales

Emiko Terazono continues a series on electronic retailing with a look at Japan's used-car auction network

A black BMW 525i flashes on to the screen and within seconds the three-year-old car, which has been repaired in four places, is bid up to Y3.21m (£20,400) from the initial price of Y3m. After 25 seconds, it is sold to a dealer 700 miles away from Tokyo.

The blinking numbers and beeping noises are not part of a new video game, but of Aucnet, Japan's first satellite-linked, used-car auction network. The control room, situated in the company's head office in central Tokyo, hooks up more than 3,000 used-car dealers around Japan. They buy and sell 3,500 used cars through the system a week, about 5 per cent of Japan's overall used-car auction sales.

The still photograph images of the cars along with full details of repairs and other relevant data are sent to the subscribers' computer terminals via satellite. The bidders use joysticks to register their bids, which are transmitted to the control room's IBM host computer through a telephone line. "It's easier than a video game," says Koji Sasaki, director of Aucnet.

While the conventional used-car auction involves taking the car to a designated area, the system has allowed dealers to trade used cars while sitting in their offices, cutting costs for space, transport and personnel. The potential seller can hedge the risk of losing money on costs if the car is not sold, while also retaining the merit of keeping the vehicle as merchandise on the premises until a buyer appears.

And although conventional auctions have been limited to local areas, giving rise to around 140 local used-car auction exchanges around Japan, the network has managed to create the country's first national auction network, linking dealers all over the country.

The company was founded in 1984 by Masataka Fujisaki, who owned a computer software company and a used-car dealership. After finding auctioning for used cars time- and cost-consuming, he devised a plan to auction used cars through an electronic network.

The initial attempt was made by sending members laser discs with the photographs and information of the cars through parcel delivery and conducting an auction through a telephone-linked computer network. However, the deliveries of the discs would sometimes be delayed; and the discs, vulnerable to rough handling, would often be broken or cracked.

In 1989, with marketing and financial help from Orient, a consumer credit company, Fujisaki hooked up with Japan's first commercial communications satellite, launched that year. The satellite speeded up the bidding procedure and lowered costs for the company. Last year Aucnet linked 320 used-motorbike dealers around the country and has started motorbike auctions once a week.

However, not everything went smoothly from the start. There was initial opposition from the nation's used-car dealers' association, which feared Aucnet would threaten the existence of the local auction exchanges. It launched an "anti Aucnet committee" and threatened to eject any member who joined the satellite network.

The association was eventually forced to accept Aucnet after many of its dealers joined despite its campaign, and the network's membership has grown sharply from the initial 500 in 1989.

While only dealers can become members, individuals who want to sell their vehicles can participate via the company. Last year 100 cars belonging to individual owners were sold through the system every month.

The key to Aucnet's success, says Sasaki, is the speed at which the information is processed through the system and transmitted to the bidders. But another important element has been the company's rigorous inspection and evaluation standards of the used cars. Aucnet officials had to convince members that the certified inspectors (who rated the used vehicles) were to be trusted and that members could buy the cars unseen.

Aucnet currently has 120 inspectors nationwide, who rate the cars on a scale from one to 10, and provide a bidding minimum which reflects the car's state.

The company's innovative system has been reflected in its profitability. It initially invested Y1.5bn in the computer system, and broke even in 1989. The company went public on the over-the-counter market in 1991, and last year, thanks to the popularity in used cars due to the prolonged recession, its pre-tax profit rose 25 per cent to Y1.14bn on a 15 per cent increase in revenue to Y4.73bn.

The company derives its revenues from sales of the satellite receivers and computer terminals to leasing companies, which in turn lease the equipment to members. Registration, inspection and photography fees for the used cars and brokerage fees when a deal is completed are also part of Aucnet's income.

Sasaki says there is room in the domestic market for Aucnet to expand. Only 15 per cent of the 20,000 used-car dealers are Aucnet's members, and there are regions where the system has not penetrated.

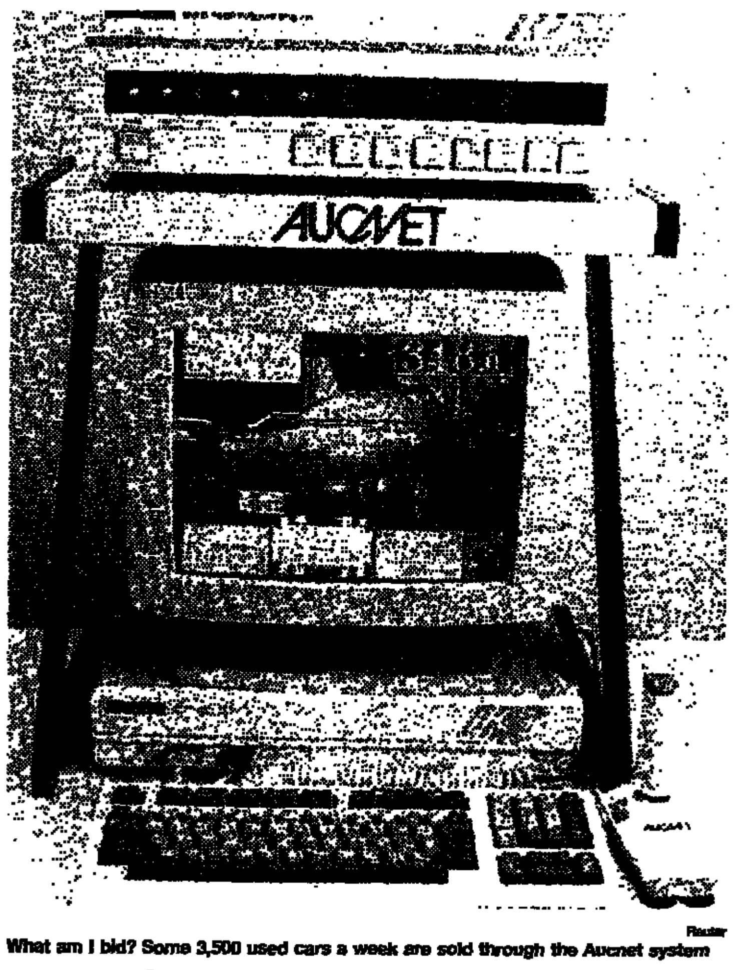
The company sees the potential in applying its satellite network to other sectors which have inefficient auctioning processes, such as flowers, real estate and meat.

Meanwhile, Aucnet hopes to crack the US used-car sales market, which is said to be five to six times as big as the Japanese market. The company, which obtained a patent for its system in the US in 1989, has set up a US subsidiary in Atlanta, Georgia and wants to start auctions from September.

But it may take a while for Americans to become used to buying second-hand cars unseen. Sasaki says that it may take two to three years for the concept to be accepted. And Aucnet faces competition from other satellite auction operators, such as Independent Car Auctions, a UK car auctioneer. It has recently tied up with Manheim Auctions, a leading US automobile auction company, to set up a satellite service.

Sasaki says he is not worried about the competition due to Aucnet's domestic success. However, he admits that Japanese and US used-car buyers look for different things in a used car and a data and rating system will need to be adapted.

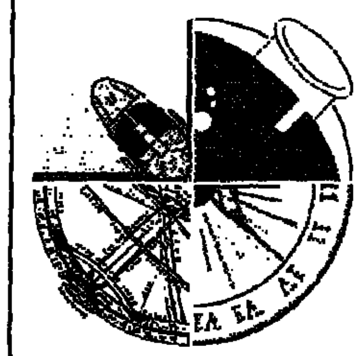
"Japanese are picky about how a car looks, and hate small scratches and dents. US consumers are more conscious of the vehicle's basic functions," he says.



Reuter

What am I bid? Some 3,500 used cars a week are sold through the Aucnet system

Worth Watching · Vanessa Houlder



Apple launches new operating system

Apple, the California-based computer company, is set to release a new operating system for its Macintosh personal computers later this summer.

The new system, known as Macintosh System 7.5, includes more than 50 new features and technologies to make the computer more productive and easier to use. These include an interactive guide to assist users, some features to streamline and speed up basic tasks and a simplified way to exchange information between Macintosh and MS-Dos or Windows systems.

The system includes PowerTalk, which allows users to send electronic mail, share files and forward documents. It also includes the QuickDraw GX technology for high-quality printing and graphics.

Macintosh system 7.5 will run on computers with at least a 68020 processor. On a 68020, 68030 or 68040-based Macintosh computer, the system requires at least four megabytes of Ram to run the core elements and at least eight megabytes of Ram to use PowerTalk and QuickDraw GX. The new release will be compatible with most Macintosh applications software currently available.

Apple Computer UK Ltd: UK, 081 730 2480.

Virtual reality arrives home

Virtual reality in the home has come a step closer with the launch of the VFX1 headset by Forte Technologies, writes Richard Rosen from the Summer Consumer Electronics Show in Chicago.

The unit incorporates a pair of colour LCD displays, one for each eye, each measuring 0.7 inches. This gives an effective viewing area equivalent to watching a 35-foot screen from 35 feet. Each screen has an individual lens, which can be focused – a useful feature for people who have taken their glasses off. When in use, it measures the amount of head movement from the wearer in all three planes and calculates where you are looking.

The headset, which weighs less than 2lbs including stereo speakers, uses its own 8-bit PC ISA card for output and works independently of the standard PC display. It will be launched worldwide in October at a price of about $900.

Contact Forte Technologies: US, 716-427-8595.

Fresh as a raspberry

The convenience of using frozen soft fruit, such as raspberries, is offset by problems such as the length of defrosting time, the loss of the fruit's shape and handling difficulties.

Distillerie du Perigord, a French company, says it has introduced a new fruit processing method which firms up the fruit, increases its shelf life to a year and heightens its flavour.

The process begins with an analysis of the fruit's sugar content, acid content and permeability. The fruit is then dipped in sugar at low temperature, put into an alcohol solution and flavoured with spices.

Distillerie du Perigord: France, 53 59 31 10.

Software for re-engineering

New software has been developed to assist in business process re-engineering, a fashionable management technique for improving competitiveness by streamlining productive processes.

Micrografx, a developer of Windows-based graphics applications, has launched ABC ToolKit, which will help a company measure and analyse its internal business processes.

ABC ToolKit will allow companies to map process flows and then track costs, cycle times, quality indices and other variables.

The ABC ToolKit is available for around £490 through dealers and distributors.

Micrografx: UK, 091 514 7388.

MANAGEMENT

CHRISTOPHER LORENZ

'Global web' still not free of tangles

The proposition that multinational companies are fast going "stateless" has grabbed the imagination of business leaders and government ministers over the past five years. From Akio Morita, the legendary founder of Sony, to Robert Reich, a Harvard economist who is now US labour secretary, policy-makers have become wedded to it.

From their different points of view, the "stateless" image depicts a paradoxical new world in which multinationals, though beyond the reach of individual governments – and, in some respects, of international institutions – are becoming "insiders" everywhere.

There are several facets to this supposedly universal trend, which Morita christened "global localisation" and which – in theory – allows multinationals to get the best of both worlds: exploiting global economies of scale while also maximising their responsiveness to local markets and sources of expertise.

The most evident facet is the siting of factories in foreign countries, such as the $1bn (£600m) semiconductor plant which Japan's NEC announced last week will be built in either Scotland or California.

More significant, because of their higher value-added and skill content, is the location of research, design and development (RDD) centres not just at home but in international networks – what Reich has called "global webs". This gives companies access to localised technical skills around the globe.

A further facet is the transfer away from a company's home country of some of its global divisional headquarters. The best-known example occurred in 1991, when IBM shifted its network systems business from the US to the UK.

To Reich and other analysts, this new world has already arrived. In a series of publications in 1990-91, when he was still at Harvard, he argued that the nationality of a global company's ownership no longer mattered. Like manufacturing, he claimed, research, design and development were now being sited with almost total disregard to a company's "nationality".

It was obvious at the time that Reich was exaggerating, and that multinationals are not locating their RDD units, or their divisional HQs, anything like as freely around the world as their factories. Nor are all such moves permanent: IBM's new management has since repatriated its network systems HQ to the US.

But Reich's cry that "ownership is unimportant" has been echoed ever since by government ministers in liberal economic regimes desperate to encourage foreign inward investment, notably Britain.

Home country activity is still very important. 'Global webs' are the exception

Until now there has been no authoritative statistical study which showed how far Reich was exaggerating. Given the complexity of the subject, no single study can be conclusive or unquestionable. But a brave first stab has now been carried out by John Cantwell, an economist at Reading University.

His study has not yet been published. But when he presented his data for the first time last month at a symposium in Stockholm of top international economists, technology and business academics, it was heralded as "remarkable" by Michael Porter, Harvard's leading professor of business strategy and national competitiveness.

By examining the extent to which US patents granted to 280 big US and European companies over various periods between 1920 and 1990 resulted from work in their domestic or foreign units, Cantwell has created a rough but very detailed impression of the geographic location of what he calls their "technological activity". He uses this odd phrase to encompass patents arising from production engineering, as well as from RDD.

His study challenges the Reichian myth in several senses. First, it shows that US multinationals still conduct the vast majority of their technological activity at home, not abroad; during the 1970s, less than 7 per cent of their patents arose from work done abroad and in the 1980s the proportion was less than 9 per cent.

Second, Cantwell shows that big American companies have only just regained the degree of internationalisation which they achieved between 1920 and 1939, before many of them retreated from their foreign RDD operations because of the second world war.

Third, the study suggests that although European companies carry out more of their technology activity abroad, their rate is still only 30 per cent, and there has been little overall increase since the 1950s. Only Dutch, German and Swedish companies have increased their proportion sharply. The Italian rate has halved since the 1960s.

Cantwell himself makes all sorts of caveats about his study. For instance, it shows relative geographic shifts between home and abroad, not absolute changes (foreign activity can rise even if its ratio falls); and some of the territorial shifts – possibly half – result from takeovers of foreign companies, not from new technological activity.

He also says that Reich is right to the extent that much of the foreign RDD within very select leading companies is changing character. From being mainly local adaptation of basic technology developed at home, it is shifting to the origination of new knowledge. As Reich's "web" analogy suggests, some of this is being developed jointly by several centres of expertise.

The fact remains that, except within leading Belgian, British, Dutch and Swiss companies, home country activity is still of overwhelming importance. Reich's "global webs" are very much the exception. It is an open question whether they will ever become the rule.

From boardroom to classroom

Tim Dickson on a programme that lets Britain's movers and shakers see what life is like in local communities

David Hyde, a director of British Airways: visits by executives involved in BITC include inner city schools throughout the UK

HRH The Prince of Wales and Julia Cleverdon make a powerful combination. What other double act could persuade 80 top business people (many of them chief executives of Britain's biggest companies) to defy this week's rail strike and sultry weather for a worthy three-hour seminar in central London?

An almost full house at St James' Palace, though, was what the heir to the throne and chief executive of Business In The Community achieved on Wednesday when the likes of British Aerospace's chief executive Dick Evans, Tesco marketing director Terry Leahy and National Westminster Bank chief executive Derek Wanless reported back on recent visits to inner-city schools, housing estates and homelessness centres around the country.

Launched in 1990 as a means of widening the commitment of top managers to corporate community involvement, BITC's Seeing Is Believing initiative was originally intended as a one-off experiment. The outings just completed, however, were the ninth in the series and organisers say the exercise has proved very successful in enabling the nation's commercial movers and shakers to see the challenges at first hand, and in demonstrating to them the beneficial impact on community projects of corporate money and time.

Community involvement has won a host of new corporate converts over the last decade. Membership of BITC has expanded steadily and the issues are increasingly aired these days in the annual reports of large public companies.

Even so not all the sceptics are convinced, motives and strategies in many cases remain confused, and the sheer scale of social and economic deprivation can induce feelings of despair. One significance of Wednesday's seminar was that small business creation and enterprise agencies – the focus of much of BITC's effort 10 years ago – were barely mentioned.

The real value of the session was the opportunity it provided to pool impressions, set priorities and draw up tentative action plans for the future.

At least one participant alluded to the loneliness and isolation of top executives and said he was grateful for the opportunity to see "the real nature of the street". He confessed that his "team" of fellow executives had been predisposed to see homelessness as an exclusively public-sector preoccupation. But the "eye opening" visit convinced him and others that the problem was closely related to mental health, demonstrated that most young people on the streets are determined to escape their plight, and suggested to them that homelessness and joblessness were part of a vicious spiral of poverty.

Perhaps the most touching request for support came from children on a Plymouth housing estate, whose placards called on their distinguished visitors to provide equipment for a play area. Burger King, whose general manager-Europe David Geddes witnessed the mini "demo", subsequently obliged.

The Plymouth team's lobbying "clout" may be of greater strategic significance. Led by BAe's Evans, they have agreed to approach the Ministry of Defence with a view to releasing unused dockyard space for local business development. The clear message articulated by this group is that private- and public-sector businesses alike have a responsibility to help regenerate the local economy when they "retreat" from a region.

Frank Nicholson, managing director of Vaux Breweries, offered an upbeat account of the impact of private-sector involvement on the Pennywell estate two miles from the centre of Sunderland. Close to the bottom of most UK unemployment leagues, Pennywell had been depicted in the media as a sort of north-east equivalent of Al Capone's Chicago and a haven for drug dealers. But thanks to the efforts of local people – backed up by local business – Nicholson claims the whole area "is unrecognisable from what it was five years ago".

The Vaux boss outlined three principles for successful action: the establishment of a partnership between all the influential locals; the outlining of a vision to which everyone could aspire; and the setting up of projects aimed at realising that vision. "It became obvious to us that lots of people had been pursing their own agendas," says Nicholson. "By looking at the horizon rather than at the end of our noses we realised that we all had the same objective: to make Pennywell a place of which we could be proud."

The business case for corporate community involvement, meanwhile, was articulated by NatWest's Wanless. He admitted that until three years ago the bank's efforts were motivated largely by philanthropy, but that such activities are now more fully integrated and the benefits measured. NatWest's initiative to spread financial literacy in secondary schools, he explained, was equipping young people with the concepts of lending and enterprise and producing potential customers of the future. Participation in projects improved staff problem solving, leadership and communication skills (and was linked to the bank's appraisal).

Other themes to emerge from Wednesday's discussion were:

- A widespread conviction that skills, time and other "human" resources were more important gifts than money.
- The importance of finding a leader to co-ordinate the often confusing array of local initiatives (integral to the success of the Sunderland project).
- The value of short placements in companies for jobseekers.
- The potential to involve a greater proportion of the workforce (notably by "gearing up" their out-of-office activities with office time).
- The strong focus on education (school visits, teacher placements, mentoring, encouraging employees to become school governors).
- The need to overcome apathy (particularly where projects fail to touch the lives of those they are supposed to help).

Will the axe fall on Aix?

The festival is facing the biggest crisis in its 46-year history. **Andrew Clark** reports

A beautiful old town, perfect summer weather, traditional Provençal food, a relaxed atmosphere and good music: welcome to Aix-en-Provence, where the 1994 festival opens tonight with *Die Zauberflöte*. It is the sort of festival environment which north Europeans can only dream about, and helps explain why Aix attracts a large, faithful clientele.

But this year is different. France's premier music festival is facing the biggest crisis in its 46-year history. The programme has shrunk to just one opera production and 12 concerts – a stark contrast to the boom years when 60 events were normal. The deficit stands at more than FFr10m (£1.2m). There are no sponsors. As if these ills were not enough, a backstage accident in May damaged Aix's open-air theatre.

The festival blames its problems on the recession and says the French government is doing nothing to help. "We want to stay in the club of international festivals, renowned for quality and innovation," says the administrative director, Hervé Grillet. "We have a strong image abroad. But the government doesn't want to acknowledge this. Provence is far from Paris, and in a centralised state, that's not good for us."

This year's FFr26m budget was only drawn up in January and represents a 30 per cent cutback. Grillet points out that while the government subsidises the Paris Opéra to the tune of FFr500m, it refuses to raise its grant to Aix above FFr5m. Double this would barely dent the nation's culture budget, but would make a crucial difference to Aix.

For its part, the government says the festival's deficit is the result of poor financial controls and declining artistic appeal. "If we give more money, we want to know the festival will reach a wider range of people," says Stéphane Martin, director of music at the ministry of culture. "In its present form, Aix is expensive and elitist."

Martin said each festival performance this summer was being supported by FFr225,000 of government money. "Aix doesn't have a public funding problem – we've actually increased the subsidy. The problem is the artistic side. The festival needs to reduce its dependence on opera, raise its volume of activity and develop ideas which will interest the public."

The recession and lack of help from the French government are blamed for the current disarray. But most observers agree an injection of new blood is needed

Behind Aix's current disarray lies an illustrious history. The festival was founded in 1948, with Gabriel Dussurget as artistic director and Hans Rosbaud as chief conductor. From the start, Mozart was a pillar of the repertory, augmented by Haydn, Monteverdi, Gluck, Rossini, Rameau and Strauss. Thanks to Dussurget's talent-spotting, some of the best-known singers of the postwar era began their international careers at Aix. The festival became the French equivalent of Glyndebourne or Salzburg.

Since 1981 the artistic director has been Louis Erlo, who also runs the Opéra de Lyon. Although musical standards have remained high, the festival seems to have lost its way. Encouraged by a Socialist victory in local council elections in 1989, Erlo changed the festival's statutes and expanded the budget. The assumption was that France's Socialist government would raise its subsidy and sponsorship would increase. However, the culture minister at the time, Jack Lang, was unimpressed with Erlo's policies, and the recession chased away sponsors. The deficit began to mount.

The election of a centre-right government last year only widened the gulf between Aix and Paris. It now looks as if the festival will have to await the result of next year's presidential and local elections before its future can be resolved. If the centre-right wins the presidency and regains control of the Aix council, more money should be available. It would also speed up the appointment of a successor to Erlo, whose contract expires in 1996.

Most observers agree the festival needs an injection of new blood. "The programme is not what you would expect from a festival which charges a top price of FFr890," commented a senior figure in the French opera establishment. "If you charge that much, you expect a more imaginative choice of repertoire, and artists who are more appealing."

But for the time being, Erlo's position is secure. He has retained the support of influential local figures like Mme Edmonde Charles-Roux, owner of the newspaper *Le Provençal*. The Aix council has agreed to service the deficit and look after the theatre, specially constructed each summer in the courtyard of the archbishop's palace.

This year's festival may look skimpy, but most visitors come for the place as much as the programme – the special Provençal light immortalised by Cézanne, the balmy climate, the cobbled squares and, of course, the sound of Mozart wafting through the air.

Alastair Muir

A baleful Ariel and measured Prospero: Simon Russell Beale and Alec McCowen

Theatre/**Alastair Macaulay**

The RSC's 'Tempest'

It is widely assumed that the RSC offers high standards of accomplishment in acting, yet several RSC stagings in recent years have shown an extremely mixed bag of performers. Take, for example, the current production of *The Tempest*, directed by Sam Mendes, which opened last year in Stratford and which has just transferred to the Barbican Theatre. Few actors have a technique more immaculate than its Prospero, Alec McCowen. Ariel is Simon Russell Beale, who is forever expanding his range and style by allowing himself to be cast in dissimilar roles (for Mendes alone he has played Ariel, Richard III and Thersites in *Troilus* at the RSC).

So far, so impressive. But Ferdinand is Mark Lewis Jones, whose tight, small voice is not always audible even in the stalls, who often sounds strangulated on emphatic words, and who seems to have learnt no kind of legato delivery in speaking poetry. But Jones certainly has talent; four years ago, I much admired his ardent Tristram in the Lyric Hammersmith's *Morte d'Arthur*. Either the RSC has cast him beyond his capacity or it no longer has the kind of voice coaches who could help him. Let no one readily assume that the RSC is an all-round ensemble of vocal accomplishment any more.

But enough of this. Sam Mendes's *Tempest* is an intelligent, lucid, rather schematic affair, with plenty of novel touches; and it has been somewhat revised since its Stratford premiere. Ariel no longer spits in Prospero's face when he is finally released, but simply gives him a long, cool glare. Nonetheless, Beale's interpretation – reminding us of Ariel's reluctant servitude to Prospero and of his lack of human emotions – remains the production's most innovative feature. His Ariel is glacial, ponderous, even baleful. Very arresting, but not wholly persuasive. There is a mellifluous lyricism in his account of Ariel's songs that nowhere enters into the rest of his performance; the words "merrily, merrily" come implausibly from his lips; and Prospero calls him "dainty" and "my bird" to no avail.

As for Prospero, McCowen performs him with the excessive precision, measure and control that have been the hallmarks of his performances in the last ten or more years. His every word commands attention, his every phrase inspires respect, and he reaches two highly impressive peaks with his rendition of "Our revels now are ended" (spoken with a beautifully weary bitterness) and the abdicatory "Ye elves of hills" (uttered with increasing warmth, as if looking for a new human tenderness in life after magic). Everything is fresh, but also freshly packaged. This Prospero is so much master of himself that he robs the play of half its tension.

David Troughton's laborious Caliban, as ponderous and livid as Beale's Ariel though made of opposite ingredients, successfully catches the beautiful awe of "The isle is full of noises". But if Shakespeare had wanted Prospero's daughter to be played with the pedestrian manners of Sarah Woodward, he would not have called her Miranda, (which means marvellous, amazing, wondrous). Too much of the clowning of David Bradley's Trinculo and Mark Lockyer's Stephano is imposed on the play, rather than drawn out of it. The stranded nobles are a pretty dull lot; and the toy-theatre masque, with its mechanical deities, is anti-poetic.

The production is, however, larger than the sum of its parts. Paul Pyant's lighting and Anthony Ward's designs beautifully display the architecture of the play; I love the contrast of the yellow soil, the deep-azure sea, the clouded, blue sky – and then, as Ariel departs forever through a door, the sudden glimpse of a radiant white beyond this world. The grand plan of the play is here – but not all its inner life.

In repertory at the Barbican.

Ballet/**Clement Crisp**

Several cheers for San Francisco

The San Francisco Ballet is America's oldest classical troupe, and it has marked its 61st year by playing a season at the Opera Garnier. Several cheers, say I, for a company that has been much improved by Helgi Tomasson – whom we remember as a leading dancer with Balanchine – its director since 1985.

The ensemble, as I saw it in Paris at the weekend, looks serious, skilled. (I hereby abandon my suspicion that America had declared a secret but vicious war on the EC by sending such awful and subversive troupes to Europe as the Washington Ballet and Bill T Jones and his ghastly crew). Nothing quite lived up to quality of the first work on view, Mark Morris's *Maelstrom*, made for SFB this year, but the impression given by two programmes was eminently satisfying.

The Morris piece is daring – who but a madman, or Mark Morris, would make a ballet to Beethoven's *Ghost* trio? – and, against all odds, utterly persuasive. Three good San Francisco musicians play the trio in the pit. The stage is sublimely lit by James Ingalls, so that the dancers glow in Martin Pakledinaz' claret-coloured outfits against a cloudy back-drop, and Morris allows himself to be led by Beethoven. Unlike most choreographers who take on "great" scores and bring to them preconceived ideas worthy of an axe-muderer, Morris finds ways of showing us what he hears Beethoven saying. So the dance flows over the stage, ideas are transferred between dancers, formal devices match step and musical phrase. At times one thinks, as Morris makes a point yet again, "Beethoven does that with much less fuss", but the sum effect is unemphatically noble and apt. For the haunted *largo assai*, Morris pulls off his most skilled effect, using a complex step, the *gargouillade*, as a signature movement. Extending it, or hinting at it, he matches what the music is doing. His way with balletic language throughout is easy, unforced. The piece is a joy.

The company danced admirably in *Maelstrom*, which was as well, since there followed an attack by Helgi Tomasson on Kurt Weill songs which turned its cast into zombies. The idea behind *Nanna's Lied* was, I surmise, to bring back the dear old days of UFA films and the Berlin of Georg Grosz. The result is novelettish, Dr Caligari paying a house call on Mills and Boone. Gloomy sets – dark, mad sloping walls, of course – and An Innocent Girl falling for a bit of rough, then being driven to prostitution (that usual jaunt of the period). She has, things being what they are, to loose her all, apparently to Nosferatu. Fatuous as drama, the ballet offers sub-MacMillan couplings to the sound of Weill songs in performance slack, unidiomatic. (*Surabaya Johnny* done over by an hysterical yodeller). Better forgotten. Better still, abandoned on the nearest tip.

The Balanchine works were *Bugaku* and *Who Cares*. Neither is very important; both were done with understanding and given an individual flavour – though not so strong as to smother the real taste of Balanchine. *Bugaku*'s eroticism, the happy Gershwin bounce of *Who Cares?*, were well served, and I greatly admired Elizabeth Loscavio as she sailed through *Embraceable You* and *My One and Only*, her dancing fresh, classically true, floating sweetly on the music.

Tomasson's real creative identity is that of a dance-maker in Balanchine fashion. (I recall early pieces in New York as featly made). His *Quattro Stagioni* uses Vivaldi's interminable scratchings and twitterings (surely more like eight seasons?) for an academic divertissement which shows off his dancers well. Pretty set and Empire costuming from Santo Loquasto. Pretty dances. Pretty performances from the girls; light-footed leapings from the men. The piece is craftsman-like, agreeable, slightly anonymous, a happy display of the company's good dance manners.

Quite what Agnes de Mille's *Rodeo* is nowadays I am not sure. It completed the repertory for Paris – the token bit of ethnic charm, perhaps? – but it looks more than ever like Oklahokum. The cowboys, the cowgirl, the friends from, Kansas City: all so jovial, all so open-air, all so likely to be found in dear old Quaintsville. I don't think *Rodeo* can be danced today. The San Francisco cast is careful, as one should be when handling an antique, but the piece is actually a fake.

A serious, skilled company visits Paris: Yuri Zhukov and Sabina Allemann of the San Francisco Ballet in 'Le Quattro Stagioni'

INTERNATIONAL

ARTS GUIDE

Stockhausen at Salzburg

The 1994 festival (July 25-August 31) takes to the air with the premiere of Stockhausen's Helicopter Quartet. While the composer controls the sound electronically in the Mozarteum, members of the Arditti Quartet will play their parts in four airborne helicopters.

Back on terra firma, this year's flagship opera production is Don Giovanni, staged by Patrice Chéreau and conducted by Daniel Barenboim, with a cast headed by Ferruccio Furlanetto, Bryn Terfel, Catherine Malfitano and Cecilia Bartoli.

The rest of the opera programme has a Russian emphasis. There are three Stravinsky stagings, including a Kent Nagano/Peter Sellars production pairing Oedipus Rex and the Symphony of Psalms, with a cast headed by Agnes Baltsa, Thomas Moser and Matti Salminen. The Claudio Abbado/Herbert Wernicke production of Boris Godunov, first seen at the Easter festival, will be revived with Samuel Ramey in the title role.

In the concert programme, the Chamber Orchestra of Europe takes pride of place with two cycles of Beethoven symphonies in the Mozarteum, conducted by Nikolaus Harnoncourt. The Vienna Philharmonic gives two programmes under Riccardo Muti, and also gives concerts with Pierre Boulez, Mariss Jansons, Bernard Haitink and Georg Solti.

The drama programme continues to gather strength, with Shakespeare's Antony and Cleopatra directed by Peter Stein and Pirandello's The Mountain Giants directed by Luca Ronconi (Kartenbüro der Salzburger Festspiele, Postfach 140, A-5010 Salzburg. Tel 0662-844501 Fax 0662-846682)

■ **EXHIBITIONS GUIDE**

AMSTERDAM
Van Gogh Museum Van Gogh's Self-Portraits: 20 paintings and two drawings dating from his stay in Paris 1886-7. Ends Oct 9. Daily
Rijksmuseum Flowers and Plants: flora and fauna in five centuries of prints and drawings. Ends July 31. Closed Mon

BERLIN
Altes Museum The Last Days of Humanity: 600 photos, posters, paintings and drawings illustrating artists' responses to the first world war, and including work by Beckmann, Kokoschka, Dix, Picasso, Chagall and Wyndham Lewis. Ends Aug 28. Closed Mon
Haus der Kulturen der Welt Tanzania - masterworks of African sculpture: 400 works from the 19th and 20th centuries. Ends Aug 7. Closed Mon

CHICAGO
Art Institute Odilon Redon: 180 works by the late-19th century French painter-poet. Ends Sep 18. Goya: 100 small-scale paintings. Ends Oct 16. Italian Sculpture from the Gilgore Collection. Ends Aug 14. Daily

COLOGNE
Wallraf-Richartz-Museum Impressionist Masterworks from Geneva: 40 paintings from the period 1880-1900. Ends Sep 4. Closed Mon
Josef-Haubrich-Kunsthalle Heaven and Hell in the Middle Ages: 200 paintings, documents and artefacts illustrating the medieval view of death and the afterlife. Ends Aug 28. Daily

DUSSELDORF
Hetjens-Museum Ceramic Works of Picasso, Miró and Tàpies: 90 works by three major Catalan artists of the 20th century, ranging from Picasso's decorative owls and figurines to Tàpies' massive sculptures. Ends Aug 28. Closed Mon

ESSEN
Villa Hügel Paris - Belle Epoque: an evocation of the period from 1880 to 1910 with paintings, drawings, posters, photographs, glass and furniture. Ends Nov 13. Daily

FRANKFURT
Schirn Kunsthalle Goethe and Art: 300 paintings, drawings and sculptures ranging from antiquity till Goethe's death in 1832, and including work by David, Schinkel, Caspar David Friedrich, Claude Lorrain, Constable and Turner. Ends Aug 7. Daily

LONDON
Hayward Gallery Bonnard at Le Bosquet. Ends Aug 29. Daily (advance booking 071-928 8800)
Tate Gallery R.B. Kitaj retrospective. Ends Sep 4. Daily
Marlborough Fine Art R.B. Kitaj: recent pictures and graphics. Ends Aug 20. Closed Sun
Victoria and Albert Museum Pugin - A Gothic Passion: retrospective of the 19th century British designer. Ends Sep 11. Daily
National Gallery From Caspar David Friedrich to Ferdinand Hodler, A Romantic Tradition - Paintings and Drawings from the Oskar Reinhart Foundation. Ends Sep 4. Daily
Royal Academy of Arts Impressionism to Symbolism - The Belgian Avant-Garde 1880-1900. Ends Oct 2. Daily (advance booking 071-240 7200)

MADRID
Centro de Arte Reina Sofia Gerhard Richter: 100 works by one of the key figures in contemporary German art. Ends Aug 22. Closed Tues

MARTIGNY
Fondation Pierre Gianadda From Matisse to Picasso, Masterworks from the Gelman Collection: organised in collaboration with New York's Metropolitan Museum of Art, the exhibition shows Bonnard, Matisse, Braque and Léger, with pride of place given to 13 works by Picasso. Ends Nov 1. Daily

NEW YORK
Metropolitan Museum of Art Petrus Christus: 22 paintings by the 15th century Netherlandish master, renowned for the jewel-like luminosity of his work. Ends July 31. Picasso and the Weeping Women. Ends Sep 4. The Annenberg Collection of Impressionist and Post-Impressionist Masterpieces. Ends Nov 27. Dali - The Early Years. Ends Sep 18. Closed Mon
Museum of Modern Art From Manet to Picasso - Masterpieces from the David and Peggy Rockefeller Collection. Ends Sep 6. British Drawings 1890-1990. Ends Sep 13. Closed Wed
Whitney Museum of American Art Edward Hopper (1882-1967) and Jack Pierson (b1962): the latter has selected 20 works by the former, and placed them alongside his own work. Ends Sep 11. Joseph Stella (1877-1946): more than 200 works by the American modernist. Ends Oct 9. Closed Mon

PARIS
Grand Palais The Origins of Impressionism 1859-69. Ends Aug 8. Closed Tues
Musée d'Orsay Nadar, Photographs 1854-65: Nadar was a friend of writers and painters, whose portraits raised photography to the category of creative art. Ends Sep 11. Closed Mon
Musée d'Art Moderne de la Ville de Paris Dutch Art of the 20th Century: the first part traces developments from Van Gogh to Mondrian, while the second focuses on ten contemporary artists. Ends July 17. Closed Mon (11 ave du President Wilson)
● Cartes musées available at all metro stations and museums, to avoid queuing at 60 museums.

PRAGUE
Kinsky Palace Albrecht Dürer: woodcuts and copper engravings by the early 16th century German master, plus examples of work by his pupils. Ends Aug 21. Closed Mon

SPEYER
Historisches Museum der Pfalz Romanov Tsarist Treasures: 200 pieces from the St Petersburg Hermitage, including jewellery, objets d'art, paintings, furniture and costumes, collected during three centuries of Romanov rule in Russia. Ends Aug 14. Daily

STUTTGART
Staatsgalerie Italian Drawings 1500-1800: a representative selection of the large, high-quality Stuttgart collection, built up over the past two centuries and including work by Giambattista and Tiepolo. Ends Sep 4. Picasso: a rare showing of 400 prints from a private collection. Ends Aug 14. Closed Mon
Linden-Museum Art of the Aborigines: 90 wood paintings and 40 sculptures. Ends Sep 25. Closed Mon

VIENNA
Jüdisches Museum Max Oppenheimer (1885-1954): retrospective of one of the most neglected figures in early 20th century Austrian art. Ends Sep 18. Closed Sat
Kunsthistorisches Museum Albrecht Dürer: a selection from the museum's collection of work by the early 16th century German master. Ends Oct 30. Closed Mon

WASHINGTON
National Gallery of Art Willem de Kooning's Paintings: 75 works by America's influential abstract expressionist. Ends Sep 5. From Minimal to Conceptual Art - Works from the Vogel Collection: 90 drawings, photographs, paintings and sculpture by contemporary artists, including LeWitt, Christo, Ryman, Beuys and Flavin. Ends Nov 27. Recent Prints and Sculpture from Gemini G.E.L.: a selection of work from the acclaimed contemporary art workshop in Los Angeles. Ends Oct 2. Ornament in European Graphic Art 1300-1800: more than 90 prints, drawings, illustrated books and decorative objects. Ends Aug 21. One of the jewels of the permanent collection, Jan van Eyck's Annunciation, has returned to public view after a two-year restoration. Daily
National Museum of American Art Thomas Cole: 70 works by the father of the Hudson River school of painting. Ends Aug 7. Mary Vaux Walcott: 50 watercolours by the early 20th century naturalist, explorer and artist. Ends Aug 29. Daily
Phillips Collection The Drawings of Stuart Davis (1894-1964): 90 watercolours, gouaches and drawings of radiant colour by the American modernist. Ends Aug 28. Daily
Freer Gallery Masterpieces of Chinese Calligraphy: more than 30 calligraphers are represented from the first century BC to the 20th century. Ends next Feb. Daily

ZURICH
Kunsthaus Dada: 150 paintings, drawings and collages by Duchamp, Man Ray, Ribemont-Dessaignes, Max Ernst and many others, plus a large number of posters, letters and other documents relating to the nihilistic movement founded in Zurich in 1916. Ends Aug 21. Closed Mon

Managers, not police

Mahbub ul Haq continues the anniversary series

If Lord Keynes and Harry White were to rise from their graves, would they recognise their own creations? The chances are rather slim, for the Bretton Woods institutions have drifted far from their original vision. Keynes proposed a fund equal to one half of world imports, to enable it to exercise a major influence on the global monetary system. Even the more conservative White proposed reserves equalling one-sixth of world imports.

Keynes also regarded balance of payments surpluses as a vice and deficits as a virtue, since deficits sustained global effective demand and generated employment. Moreover, at the heart of the global monetary system were to be fixed, but adjustable, exchange rates.

Today, the International Monetary Fund controls liquidity equal to only 2 per cent of world imports. Deficit nations, particularly in the developing world, come under tremendous pressure for adjustment, but surplus nations do not. Finally, fixed exchange rates collapsed in the early 1970s and subsequent attempts to introduce a modicum of stability have proved largely futile.

The World Bank did help raise market funds at lower cost, with longer maturities, and for purposes that private markets would not have touched. It also introduced the International Development Association in 1960, to provide cheap loans to poor nations. Yet recently its net resource transfers, including IDA funds, have been negative, to the tune of $1bn to $2bn a year. Private lending to developing countries has increased rapidly, but three-quarters of it has been to about 10 relatively better-off economies in Latin America and south-east Asia.

Two aspects of this 50-year evolution are particularly worrying. First, the Bretton Woods institutions are no longer institutions of global management: they police the developing world instead. The Group of Seven leading industrial countries and the private capital markets have taken over the global job.

Second, while founders of the Bretton Woods institutions were searching for expansionary economic policies, world leaders have now become more preoccupied with inflation than with jobs (though the pendulum is beginning to swing back once more).

Schools versus soldiers: spending on education has too often been cut ahead of military expenditure in developing countries

The developing countries have, unfortunately, had to live with the consequences of the more deflationary agendas of the industrial world. The emphasis has too often been on adjustment via demand contraction rather than supply expansion. Also, the wrong items have usually been cut. There are many low-priority budgetary items. Yet education and health expenditures have often been trimmed ahead of military expenditures, and food subsidies to the poor slashed in preference to subsidies to landlords and industrialists. The staff of the Bretton Woods institutions do not normally seek such outcomes, but they should have offered stronger resistance.

What reforms would help reposition these institutions for the 21st century?

There does need to be a global institution to ensure sound macro-economic management and global monetary stability. It should be able to perform five functions:

- Help stabilise global economic activity.
- Act as a lender of last resort to financial institutions.
- Calm financial markets when they become disorderly.
- Regulate banks and institutions with an international reach.
- Create and regulate new international liquidity.

At least the first four functions must be played by the IMF if it is to reclaim its role in the global monetary system. Four cautious steps would start it in the right direction.

First, there should be a new issue of some SDR 30bn-50bn in reserves. This is appropriate now, when inflationary pressures are low, primary commodity prices have hit bottom, most industrial countries are reducing budget deficits and an extra dose of global liquidity might help fuel world economic recovery.

Second, the Compensatory and Contingency Financial Facility (CCFF) of the IMF should offer full compensation for shortfalls in exports. Its loan period also needs to be extended. Even more important, there should be no policy conditionality.

Third, in collaboration with the Bank of International Settlements, the IMF should acquire some regulatory control over international banking.

Fourth, the IMF must acquire a greater role in global macro-economic management, by exerting influence over the policies of major industrial powers.

The World Bank is the finest institution for advising developing countries on economic growth, but it needs to develop greater sensitivity and expertise in linking growth to human lives. It must also find new ways of recycling resources. Real IDA availability per poor person has been shrinking, greatly limiting the Bank's options. There will need to be more innovative ways of raising finance to address global poverty.

Finally, the Bank must consider restructuring its own debts. It has advised all other creditors to restructure their debts, but refused to reschedule its own, citing its charter and concern about its credit rating. The result is that the Bank will end up recycling the servicing of its own past lending, rather than transferring new resources.

Two broader points must be made. One is that any proposal for a merger of IMF and the World Bank would be extremely unpopular in the developing world. Rightly or wrongly, there is a lot more goodwill for the World Bank in the developing countries than for the IMF.

Second, the United Nations needs to be reborn as a force for peace, rather than just a police force. Since conflicts are increasingly within nations rather than between them, sustaining peace requires socio-economic development. Also necessary is a far broader consultative process than is offered by the G7. For these purposes an Economic Security Council should be established within the UN which should supervise the policy direction of all international economic institutions, including the Bretton Woods twins.

The founders of the Bretton Woods institutions and the UN were neither inhibited nor timid 50 years ago. But where is our creativity now regarding the future shape of global economic governance? It is time to begin designing the global institutions of the 21st century.

The author is a former Finance Minister of Pakistan, a former official of the World Bank and is currently chief architect of the UNDP's annual Human Development Report. Previous articles in the series were on June 21 and 28, and July 8

Joe Rogaly

Filling in the pink spaces

The patience of those of us whose pulses race at the prospect of Mr Tony Blair becoming leader of the Labour party is being tested. The young man's stubborn insistence on starting and ending every discussion with a declaration of values and principles is costing him dear. In England, where most of the electorate lives, abstract discourse, the deployment of grand perspectives, is regarded with suspicion. It is the sort of thing you expect from the French.

Indeed, Mr Blair is turning out to be an awkward repository of our expectations. His series of protracted lectures may be the best way of both winning the Labour leadership and positioning the party for a two-year assault on the Conservatives, but it stretches the nerves of those who are doomed to sit in the back of the class. They fidget and look out of the window. The hot summer sun beckons. Do they have to go on hearing why they should not present the tutor with a false choice on this or that political conundrum? They ask themselves the question common to all participants in seminars – "what am I doing here?"

At his most persuasive, Mr Blair sounds as if, running for professor in a theological seminary, he would appear to dismiss as outmoded the choice between chastity and depravity. In truth, the case for purity would be made. The trouble is that not everyone would know it. You would find it buried inside a wrapping of verbiage that suggested, to those who wanted to have it both ways, that they could. Thank heavens he would not go into detail.

Yet my enthusiasm for the prospect of a refreshment of British politics by a reconstructed Labour party remains undiminished. Mr Blair is the only active politician who is displaying the potential to be an agent of reconstruction. There is no serious alternative. We must presume that Labour realises this. Nothing should be taken for granted in a democratic contest. An upset is extremely unlikely, but not impossible. If, by some mishap, the party gets its sums wrong and chooses either of the other contenders, we can forget the whole matter.

Labour led by Mrs Margaret Beckett or Mr John Prescott would stand as little chance of forming a government as did Labour under Mr Michael Foot. We would have to concentrate on the frustrating task of improving the Tories, gritting our teeth at the prospect of enduring their misgovernance until the millennium.

> **Only hardline Eurosceptics could take offence at Blair's approach; Europhiles in all parties should approve of the language**

The electorate will see how deep Labour's comprehension of these political realities runs when the result of the leadership election is announced. The sensible assumption is that Mr Blair will be declared leader of the opposition next Friday and, probably, prime minister in 1996 or 1997. What difference would that make to the way we wash our socks? The putative new leader gives the following reply in the New Statesman this week: "Think about the huge amount of constitutional reform with the Freedom of Information Act, the Bill of Rights, the changing of the constitution in the House of Lords, the Scottish parliament, a Welsh assembly, regional government, quangos." Britain would sign the social chapter of the Maastricht treaty. Trade union recognition rights would be granted. "These are not minor or irrelevant changes. Labour has a huge radical agenda in this area," said Mr Blair.

He – Labour – also has an agenda, some of which is radical, for the management of the economy, education, participation in the European Union, and welfare. Mr Blair has spoken at length on each of these. The trick is to brush aside the false-dichotomy preambles and pull apart the wrapping of placatory verbiage. Then we can see what is a specifically Labour or Blair proposal and what is an attempt to persuade his party to accept what the Conservatives have put in place.

Mr Blair has adopted the economic strategy of his shadow chancellor, Mr Gordon Brown. This relies heavily on the promotion of education and training. So does the government. Labour would, uniquely, introduce a minimum wage, of an unspecified amount, and tax the very rich, at an unspecified rate. As to Europe, Mr Blair's tone is friendly, the government's suspicious. There is less division on matters of substance. Our great pink hope dances round the issue of a single currency, insisting, as does Mr John Major, on full convergence of the participating economies before Britain's opt-out can perhaps become an opt-in. Political reform is urgent, he says. He proposes looking at the involvement of both the European and national parliaments in European decisions.

Acceptance of the social chapter is special to Labour; for the rest Mr Blair's positive but cautious approach to a changing Europe would not offend Mr Douglas Hurd or Mr Kenneth Clarke. Only hardline Eurosceptics could take offence; Europhiles in all parties should approve of the language, while appreciating, with Mr Blair, the immensity of the task of persuading the rising generation of Europeans of the validity of what he calls the European "project".

Wednesday's lecture on welfare was the most outspoken to date. "I quite understand the resentment of every taxpayer who has to pay £20 a week in taxes to keep 3m unemployed," said Mr Blair. He spoke of helping people to help themselves, as did Mr Bill Clinton in his presidential campaign. "Work and welfare go together," said Mr Blair; "... welfare must enhance duties and responsibilities and not be a substitute for them." Talk of removing the poverty trap that acts as an incentive to stay on the dole is part of mainstream politics, common to all parties.

Mr Blair was, however, speaking to a Labour audience that history suggests might regard such thinking as an act of betrayal. So he sweetened the pill. Using President Clinton's very words, he argued that the Conservatives' trickle-down philosophy has been discredited. "Britain is more unequal and divided than it has been for a generation." That is the stuff to give the troops. Better yet, it was not followed by a mindless promise to shell out even more to the poor. Mr Blair's contribution this week was to specify the principles, although not the specific means, by which the welfare rolls might be diminished. "The benefit system must find as many exits from dependency as possible," he said. Great. We must now presume that when he becomes leader he will tell us how.

LETTERS TO THE EDITOR

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Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Myth of technology and competitiveness

From Dr Kirsty Hughes.

Sir, It was most welcome to read Guy de Jonquières' arguments against the high-tech bandwagon (Economic Eye, July 11). Myths about high technology have become very influential, leading the European Commission, among others, to argue that improved performance in high technology is a central route to increasing competitiveness. This view is not consistent with the evidence.

Assessing trade performance in the 1980s on the basis of export shares and the net trade balance, it can be shown that – of the six largest economies – the three with the best trade performance were Japan, Germany and Italy, which had their best performance respectively in high, medium and low technology.

The two worst performers, the UK and the US, had their best performance in high technology. The US's competitiveness deteriorated in particular in medium-technology products.

Innovation is not the sole determinant of competitiveness – it is not equivalent to R&D, nor is R&D equal to high technology. One of the UK's problems is the managerial failure to translate R&D into innovation rather than too low a level of R&D. At the same time, many small and medium-sized enterprises innovate without doing formal R&D.

Not only is competition in high-tech sectors not the key route to competitive success, it is becoming increasingly costly. Increased costs and increased competition equal lower profits. Consequently, since the 1980s, companies have increasingly chosen to collaborate – with many international joint ventures in R&D occurring between US, Japanese and EU companies. One outcome of this is a process of technological levelling, the outcome of which will be a much greater emphasis on factors other than R&D in international competition.

These developments pose great challenges for technology policy in the EU and in individual countries – at present these challenges are not being taken up.

Kirsty Hughes,
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Europe should follow US on petrol pollution

From Mr Adam Seymour.

Sir, The debate over the relative healthfulness of unleaded petrol (Letters, July 11 and 13) contains no reference to the example of the US, where the problems of urban motor pollution have been more severe and the attempts to address them more rigorous than in Europe.

As of January 1995 the US refining industry will be required to produce a new green gasoline for highly polluted urban areas. Two of the specifications for this green gasoline limit its benzene and overall aromatics content, to combat the proliferation of air-borne carcinogens and ground-level ozone. The Bonn proposal to restrict benzene ("Bonn threatens action on petrol pollutant", July 7) has, therefore, a precedent and one which is far more comprehensive.

The specifications for US green gasoline are the result of a three-year research programme in which government and the oil and auto industries collaborated. Another example which the EU and European industry may do well to follow.

Adam Seymour,
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Big electricity users not paying too high a price

From Mr David Porter.

Sir, Electricity users have enjoyed price cuts since privatisation four years ago. The regulatory body, Offer, confirmed this in its recent annual report. Despite this, the Chemical Industries Association says that large users are paying too much ("Big electricity users 'suffering high price rises'", July 13).

The association claims that there are no incentives for "cost-reflective supplies to large users". But their own figures, quoted in your report, demonstrate that this cannot be true. They appear to be paying just over 3.5p per unit and they are able to secure this price because they are free to choose between suppliers in an increasingly competitive market place. In comparison, I suspect that small business users, who will not be able to shop around until 1998, would be delighted to pay 3.6p.

The large users are right about the charges imposed by the monopoly transmission and distribution businesses. Cost-cutting there would benefit all users.

David Porter,
chief executive,
Association of Independent Electricity Producers,
41 Whitehall, London SW1

Estonia has set good currency example

From Mr Ardo Hansson and Professor Jeffrey D Sachs.

Sir, The article by Philippe Legrain, "Baltic states' varied roads to freedom" (June 21) included a misinformed criticism of Estonia's currency board system, in which the exchange rate of the Estonian kroon is pegged to the D-Mark, and the central bank abjures domestic credit expansion. Legrain alleged that Estonia's currency arrangements were leading to high inflation and currency overvaluation. This is an odd charge, since similar currency systems, such as in Argentina and Hong Kong, have underpinned price stability.

Legrain seems to have extrapolated from a single month's price increase, 8.9 per cent in March, to reach broad and unfounded conclusions. The March price increase resulted mainly from the elimination of subsidies on various service-sector prices, such as public transportation. Since March, Estonia's inflation has been among the very lowest of the post-communist economies, registering just 0.7 per cent in the month of June, and just 5 per cent for the entire second quarter.

The fact is that the currency board has performed as expected, as we have shown in a detailed comparison of the Baltic state's monetary arrangements. The Estonian currency board has provided a firm anchor to Estonia's traded goods prices, which cover a large proportion of Estonia's small open economy. As expected, non-traded goods prices have risen faster than traded goods prices, partly as the result of the end of price controls, and partly as the consequence of rapid productivity improvements in the tradeable sector, which have pushed up Estonia's wages in D-Mark or dollar terms.

The kroon is hardly becoming overvalued as a result of these wage increases, however, especially since dollar wage levels were remarkably low at the start of Estonia's reforms. Estonia's average industrial wage is currently about $120 a month, making Estonia highly competitive in attracting foreign capital, especially as an export platform to western Europe. This is why European, and especially Scandinavian, investors are setting up production operations in Estonia at a remarkable pace.

What Mr Legrain failed to recognise is that Estonia's currency stability and strict monetary discipline have contributed to solid investor confidence, low interest rates and renewed economic growth, the highest in the Baltics and perhaps the highest of all the economies in transition in 1994. It is no wonder that Lithuania changed over to Estonia's currency board arrangements in April, and that Latvia has also recently abandoned its floating exchange rate policy in favour of a pegged exchange rate, though without the firm backing (and thus the main benefits) of the stricter currency board system.

Ardo Hansson,
Stockholm School of Economics,
adviser to prime minister of Estonia
Jeffrey D Sachs,
Harvard University,
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Massachusetts, US

Glasgow versus Glyndebourne

From Mr Thomas McLaughlin.

Sir, I read with interest David Murray's review of the new Glyndebourne production of Mozart's *Don Giovanni* (Arts, July 12). The last time elements of this audience voiced noisy disapproval also involved a Mozart piece – Peter Sellars' version of *Die Zauberflöte*. When this production came to Glasgow in 1990, however, it received a most enthusiastic welcome at the city's Theatre Royal.

It is to be hoped that director Deborah Warner will take heart from this. An imaginative treatment of a much-loved Mozart masterpiece, even if controversial, may find a more sympathetic reception from a different audience.

Perhaps Ms Warner should persuade Glyndebourne Touring Opera to take her *Don Giovanni* into its repertoire. I live in hope that she might measure the reaction of the opera lovers of Glasgow against the louts of Glyndebourne.

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FINANCIAL TIMES
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Friday July 15 1994

What is wrong with Mr Santer

After the mismanagement on Corfu three weeks ago, there was always a chance that the relaunched process for selecting the European Commission president at today's special summit in Brussels would result in an unsatisfactory compromise. That risk seems about to become reality. In the wake of Britain's veto of Mr Jean-Luc Dehaene, the German government has made a vigorous effort from the EU chair to find a candidate capable of rallying unanimous assent. Mr Jacques Santer has emerged as the favourite to be nominated today, mainly because no-one has strong grounds for turning him down.

The Luxembourg prime minister may be regarded as a safe choice. Unfortunately, he is an insufficiently compelling one to be agreed without a proper debate on the future running of the Commission. Rather than select now a less than inspiring successor to Mr Jacques Delors, the heads of government would be well advised to wait until the autumn. A delay in the timetable set out by Chancellor Helmut Kohl might look like a setback. But it would allow time for the appropriateness of Mr Santer and alternative candidates to be openly discussed. In particular, it would permit a useful period for mandatory consultation with the European parliament.

In an editorial on April 27, the Financial Times suggested that the Commission president would need to combine the qualities of an effective administrator, an economic tactician able to help generate growth and jobs, and a visionary who could steer a Union that is widening as it becomes more integrated. The FT has also consistently argued that the secretive procedure for allocating this important office is undemocratic and should be reformed.

If Mr Santer fulfilled in an ideal fashion the above three criteria, the shortcomings in the method of choosing him could perhaps be overlooked. He has shown competence running the Grand Duchy since 1984, and has plenty of experience of Euro-diplomacy. However, Mr Santer cannot be considered an optimal candidate for a job whose holder could play a vital role in shaping the Union up to the end of the century. The choice of a figure representing the lowest common denominator of member governments' wishes, selected under a process that exacerbates Europe's democratic deficit, would mark a wrong turning.

The Commission presidency raises some exacting questions for Mr Kohl, the chairman of today's meeting. Mr Kohl has frequently underlined the need to increase the powers of the Strasbourg assembly, a goal only partly achieved with the Maastricht treaty. Initial soundings from newly-elected MEPs indicate that Mr Santer is likely to receive at best an unenthusiastic endorsement. If Mr Kohl were to take the assembly inadequately into account during the consultation procedure laid down by Maastricht, that could damage both the chancellor and the chances of constructive relations between the parliament and the European council.

Today's summit will also require adroitness from Mr John Major. The UK prime minister will not want to deploy Britain's veto for a second time, not least because Mr Santer's appointment could serve Britain's interest of trimming the Commission's sails. However, other governments might realise the danger that a quick decision could turn out to be the wrong one. Any participant at today's summit with misgivings about Mr Santer's candidature should be encouraged to speak out. It is still not too late for a better choice.

More rubbish

Recycling household rubbish may be environmentally damaging. It can also be very expensive. Those are the clear messages of yesterday's report by the UK parliamentary select committee on the environment. They are long overdue and need a response.

Recycling is one of the UK government's most popular environmental policies. People love to be told that their efforts can save the planet. Children, inspired by school projects and television programmes, insist their parents take bottles to the bottle bank rather than sneaking them into the bin.

The case for recycling metals, particularly aluminium, is well established, according to the waste industry. Metals can be easily extracted from rubbish tips with magnets and melted down.

But some recycling may well consume more natural resources, particularly energy, than it saves. The virtues of recycling glass and paper are not always clear cut. The case for recycling plastics, despite technological improvements, is hotly disputed.

Such calculations are complex. They depend partly on assumptions about energy consumed in collecting waste. They also depend on the value assigned to conserving resources, be they renewable, like trees, or not. Such estimates should still be made. If there is no environmental benefit, there is no reason to pay the considerable costs of some recycling schemes.

In the government's attempt to devise a policy on waste disposal, it has failed to make thorough comparisons of the environmental merits of the rival methods: recycling, landfill, and incineration. Nor, in urging people to minimise waste, has it estimated the costs of doing so. It is in danger of adding an expensive – and quite probably counter-productive – strand to its environmental policy.

Rifkind's miracle

Fifteen years after Margaret Thatcher came to power, and nearly four years after she left office, Thatcherism has at last penetrated the British armed forces. It had been applied at least partially to defence procurement in the 1980s; but not until this year did the Ministry of Defence, with some help from the Treasury and the private sector, manage to discover more than £750m of unnecessary annual expenditure on support services, all of which can be saved without in any way affecting the efficiency and fighting quality of frontline forces.

That, at least, is what Malcolm Rifkind, the defence secretary, asked the House of Commons to believe yesterday, when he unveiled his defence costs study, entitled "Front Line First". In fact, he almost made an announcement of cuts worth £750m a year, to which he was committed by the 1993 Budget statement, sound like an *increase* in defence spending. First, he listed all the procurement projects which have been on hold since last December, and which would have had to be cancelled had the savings in support services not been found. Then he went on to announce extra items, for which money had been miraculously found because the savings identified actually went beyond what the Budget statement required.

Some of these "enhancements" will simply reverse the effect of earlier cuts, for instance by taking a frigate and a submarine out of mothballs and putting a squadron of Harrier aircraft back in the front line. Others are genuinely new, such as a big increase in operational training for the army and airforce, some £60m-worth of command, control and communications equipment for a new joint rapid deployment force modelled on the French Force d'Action Rapide, and a probable purchase of submarine-launched cruise missiles from the US.

The savings, Mr Rifkind stressed, could be found because he and his staff were given eight months to look for them, and because they enlisted the help of people within the armed forces, down to middle-rank officers and below, as well as senior Treasury civil servants and private sector executives. A broad theme of the exercise is decentralisation, with budgetary responsibility devolved downwards to junior officers.

All this sounds thoroughly laudable, but if such large sums were really being wasted, one can only wonder why on earth it was not done much sooner. Inevitably the suspicion arises, and has been voiced by both retired and serving officers, that risks are being taken which were hitherto considered unacceptable. To take one example, will not a concentration of all headquarters facilities in one place render the whole British defence effort vulnerable to a single act of terrorism?

The real weakness of the study, however, is its lack of reference to any strategic assumptions about the mission of Britain's armed forces. Mr Rifkind holds that no such reference is necessary, since frontline strengths are unchanged and are designed to fulfil commitments already outlined in last year's white paper, "Defending Our Future". But that white paper only outlined them in very general terms, and fell well short of being the re-examination of Britain's military requirements, starting from first principles, which the fundamental geopolitical changes of the last five years would surely justify. Britain has yet to carry out an exercise comparable to last year's "Bottom Up Review" in the US, or this year's Livre Blanc in France. It still needs one.

When neighbours make good returns

The yen's rise is encouraging a strategic shift by Japanese industry into other Asian markets, says William Dawkins

One of the most important – and least noticed – consequences of the yen's recent rise has been to drive Japan into a fresh trade and investment assault on its Asian neighbours.

Its economic advance into Asia, which began with the first round of yen appreciation in the late 1980s, is entering a new phase. The US and Europe stand helpless, watching their share of Japanese investment decline and Japan's economic dominance of Asia increase.

Asia overtook the US as Japan's largest export destination in 1991 and last year Japan's trade surplus with the region surpassed its surplus with the US for the first time. Ten years ago, Japan exported a third more to the US than to Asia; now the balance is the other way.

Japanese direct investment in the rest of Asia has followed a similar pattern, a short way behind export growth. Its investments there rose more than three-fold from $2.3bn in 1986 to $7.3bn in 1993, roughly one-fifth of Japanese investment worldwide.

Japanese investment in Asia will nearly double, as a share of overall foreign investment, to 37.5 per cent this year, according to a recent survey by the Ministry of International Trade and Industry. At this rate, Asia will by the end of the decade overtake the US as the largest recipient of Japanese direct investment, believes Mr Chi-hung Kwan, senior manager at Nomura Research Institute (NRI).

One of the latest leading Japanese companies to bolster its presence in the region is Toshiba, the electronic machinery maker, which recently asked four of its domestic telecommunications equipment component suppliers to decamp from Japan to its plant in Huanzhou, an industrial port in eastern China.

This is the first time it has asked its suppliers to move wholesale into Asia, a change in strategy motivated by its managers' realisation that Japan's economic fortunes are becoming increasingly linked with those of its quickly-industrialising neighbours.

Until recently, the group used its 14 plants there as satellites, explains Mr Kazuo Ishiguro, the group's Asian manager. Their job was to assemble Japanese-made components cheaply and re-export them to Japan, the US and Europe.

Like many Japanese companies Toshiba responded to the yen's sharp rise in value after the 1985 Plaza accord, which was aimed at curbing the value of the dollar, by shifting the lowest technology parts of its production outside Japan.

Now, Toshiba also assumes that Asia will be its fastest-growing market for at least the next decade, not merely the pool of cheap production it was in the 1980s, says Mr Ishiguro. He predicts Huanzhou-type operations will be the new pattern for Toshiba's investment in the region.

A growing number of Japanese companies can be expected to follow Toshiba's example and add component suppliers to their basic assembly plants in the region, believes Mr Yoshio Sakakibara, Asian director of the Japan External Trade Organisation (Jetro).

"Across Asia, Japanese companies are looking to increase their local content ratios, because the size of the market is increasing," he says. There is a second, more basic factor. Many seek to step up local content to avoid heavy import duties on part-assembled products. This was, incidentally, one reason for the wave of Japanese investment in Europe a decade ago.

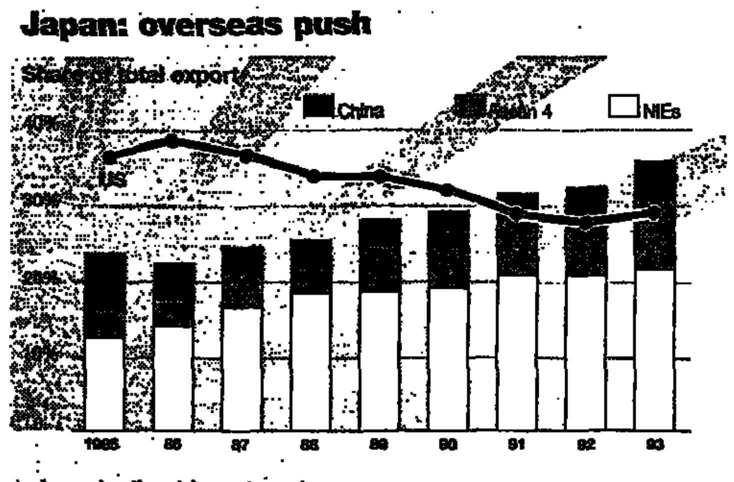
Japan's industrial advance into east Asia has been led by sectors in which assembly forms a high share of costs, such as consumer electronics – as a result of which Japan last year became a net importer of colour televisions for the first time – home appliances and cars. Automotive component suppliers have yet to join the exodus on the same scale.

Notable examples include consumer electronic giants Matsushita and Sharp in Malaysia, which have become so deeply embedded in the local economy that their combined local sales account for 6 per cent of the country's gross domestic product, according to Jetro.

Toyota, Hitachi and Sony have all in recent months opened new plants or announced expansion plans in Thailand, to sell to the local market. Japanese banks have followed their industrial customers so that the rest of Asia last year overtook Europe to become the second-most important foreign destination of Japanese banks' foreign loans after the US.

So far, Japanese companies have reaped rich rewards from their Asian onslaught, all the more welcome when their domestic market has been struggling through the longest recession in post-war years. According to the Industrial Bank of Japan (IBJ), the operating profits of manufacturers' Asian offshoots, as a percentage of turnover, averaged 4.8 per cent in 1991, well above the 0.9 per cent average for overseas subsidiaries.

Japan: overseas push



Japan's direct investment overseas

Financial years (% of total)	1989	1990	1991	1992	1993 1st half
Asian NIEs:	7.3	5.9	5.3	5.6	7.8
South Korea	0.9	0.5	0.6	0.7	1.0
Taiwan	0.7	0.8	1.0	0.9	0.8
Hong Kong	2.8	3.1	2.2	2.2	3.9
Singapore	2.8	1.5	1.5	2.0	2.1
Asean 4:	4.1	5.7	7.4	9.4	6.3
Indonesia	0.9	1.9	2.9	4.9	2.8
Malaysia	1.0	1.3	2.1	2.1	1.4
Philippines	0.3	0.5	0.6	0.5	0.3
Thailand	1.9	2.0	1.9	1.9	1.7
China	0.6	0.6	1.4	3.1	4.4
US	48.2	45.9	45.3	40.5	40.9

Source: Nomura Research Institute. Figures do not include re-investment.

Japan's economic influence in the rest of Asia has grown so strong that its neighbours are now under pressure to peg their currencies to the yen, rather than the dollar – the first step towards the formation of a yen bloc, argues the NRI's Mr Kwan.

A yen bloc in Asia might seem, to many, a distant prospect given that region's political and economic differences are even greater than between Europe Union countries, which are struggling to establish a currency bloc.

Yet even without a yen bloc, Japan's tilt towards Asia will help give the region a "force, coherence and structure that will change – and profoundly – not only the global balance of economic, indus trial and financial power, but also the international balance of politi cal power," predicts Mr Kenneth Curtis, senior economist at Deutsche Bank Capital Markets Asia.

Japan's economic advance on Asia does, however, face barriers. These include corporate Japan's understandable caution, regional political instability – illustrated by the worries over North Korea's even less predictable new leadership – and the tentativeness of Tokyo's attempts to deepen diplomatic relations in the rest of Asia.

Mr Susumu Taketomi, the IBJ's chief economist, believes the growth rate of Japan's Asian investments will be constrained by companies' unwillingness to break the social taboo against making redundancies at home. There will be, he predicts, a reorganisation of Japanese investments within the region, away from relatively high-cost areas such as Hong Kong into cheap ones such as southern China.

Japan's trade surplus with the rest of Asia will continue to rise, but Mr Taketomi believes the overall volume of trade will grow fast enough to defuse serious political problems of the kind that bedevil Japan over its surplus with the US.

"This surplus is healthy for Asian countries. They will probably succeed in upgrading their industrial structure so that they will show a surplus at the end of the century. Japan was in a similar situation in the 1960s," he says. Forty years later, Japan will be the prime candidate to absorb the coming explosion in Asian exports, he predicts.

The government has played a cautious role in supporting Japan's economic advance into Asia by trying to deepen diplomatic relations with the region – partly in response to the weakening in Tokyo's relations with Washington brought by the end of the Cold War.

Until recently, Japan's Asian strategy was one-dimensional. It consisted of of disbursing 60 per cent of its annual overseas aid budget – the world's largest – to the region, a hangover from post-war reparations. But Japan's support for the Asia-Pacific Economic Cooperation Forum (Apec), set up five years ago partly on a blueprint drawn up by Tokyo's Ministry of International Trade and Industry, has enabled it to make a slightly wider diplomatic contribution. Tokyo will host the third summit of Apec leaders next year, and is backing the Asean Regional Forum – a body formed to discuss security in the region.

However, Japan still has some way to go to win its neighbours' complete trust. A claim made in May by a former justice minister that the 1937 massacre of Nanking, an infamous Japanese wartime atrocity, never happened, created serious diplomatic damage, undermining especially South Korean government efforts to persuade other Asian countries of Japanese credibility.

It also sent shivers of alarm through Japanese company subsidiaries across Asia, according to some of their Tokyo-based colleagues. None of them reported a significant drop in sales as a result, but the incident showed that Japan's inexorable economic advance into Asia will not always be smooth.

Charles Leadbeater and **Andrew Adonis** examine the need for a reform of democracy

Power to the people

Democracy is leading a double life. Two and a half thousand years after its emergence, the virtues of contested elections and open debate are only just reaching parts of eastern Europe, Asia and Africa. Yet in democracy's heartlands, the developed liberal democracies of the west, there is malaise.

Dissatisfaction with governments' performance is widespread. Parliaments often look like antiquated, self-serving talking shops. Leaders struggle to acquire credibility. Political parties are losing members.

The media are often more effective in mobilising public opinion, for instance over Bosnia, than are political parties. Independent think-tanks and research groups often formulate more creative policies than parties or the civil service.

In the era of Internet, telephone phone-ins and spreading experiments with electronic democracy, the 19th-century procedures of parliament and the council chamber have become anachronistic. Liberal democracies are increasingly run by oligarchies of professional politicians, only loosely constrained by occasional elections.

The result is that the relationship between politicians and the people they represent has become tenuous. Most people can imagine forming a lasting relationship with the place they live in, the company they work for, friends and partners, and even products they regularly consume. But few people can imagine forming an engaged, active and trusting relationship with politicians.

This public disillusion could generate growing apathy. To restore public confidence that politicians are fit to lead society, politics will have to reform itself, by becoming more transparent and responsive.

Democracy changed in the past, most notably in the 19th century, with the extension of the franchise, the development of local government and the creation of political parties. It needs to change again, to give clearer control over the holders of political power to more people. A period of reform is needed to develop the role of direct democracy as a counterpoint to established channels of decision-making.

Three moderate and specific measures to give citizens more direct say in politics would start to rejuvenate the established democracies:

- Voter Vetoes. Apart from Switzerland and a few US states, referendums are not used regularly to inform government decision making. The referendum was widely discredited in Europe by its use in Nazi Germany. Politicians dislike referendums because they take decisions out of established hands.

A Voter Veto would overcome these objections. It would amount to an advisory referendum on legislation passed at a national or local level. Once laws were passed by parliament, for instance ratification of the Maastricht treaty, a referendum could be held if more than 2 per cent of the electorate signed a petition calling for a vote. The outcome would be purely advisory, but the prospect of such a vote would act as a check on hasty or unpopular decisions. In the UK the debacle over the poll tax may have been avoided had the country employed such a simple democratic check on the power of the executive.

- Voter Juries. The jury commands public respect as the centrepiece of a fair justice system, which works because hundreds of thousands of citizens a year give their time to make it work. The jury principle could be applied to politics.

At a national level two juries of 20 randomly selected adults could be convened each year to deliberate upon issues such as whether universal childcare should be available for the under-fives and how it should be paid for; or whether there should be a law of privacy against press intrusion. Their decisions would be advisory, but under the law establishing the political jury system the government would have to take into account the findings. At a local level Voter Juries could advise councils on issues from planning to policing and housing.

- Voter Feedback. Governments should start experiments with local electronic democracy, so-called electronic town halls. Telecommunications and entertainment companies have launched a number of experiments with multimedia technology, to test the commercial prospects of using telecommunications to provide interactive links between televisions and computers.

Advanced communications will play an increasing role in politics everywhere. But at the moment the most likely beneficiaries are the rising band of rich commercial-populist politicians, such as Ross Perot in the US and Silvio Berlusconi in Italy. To avoid multimedia being corralled by political leaders keen to promote themselves, there should be a matching public policy to test multimedia's potential for open democratic decision-making.

A public policy to promote electronic democracy could usefully learn from the "televote projects" in Oregon and Hawaii, in which voters were sent packages of information and argument before a televised town meeting, at which viewers could register votes electronically.

From California to New Zealand, democratic experiments with the new communications technologies are under way. Europe should join the pack.

A fuller version of these arguments is in articles by Andrew Adonis, Geoff Mulgan and Charles Leadbeater in the current Demos Quarterly, from 9 Bridewell Place, London EC4V 6AP

OBSERVER

Yodelling at the moon

■ Craving another international organisation is understandable; going after two more may be thought a trifle greedy. Not only does Geneva want to play host to son of Gatt – the new World Trade Organisation – now it wants to become the world's environment capital as well.

The Swiss parliament has voted SFr75m to transform the old seat of the League of Nations into a "House of the Environment". The Palais Wilson, on the shores of Lake Geneva, is intended to be home for the European arm of the United Nations Environment Programme – which has its headquarters in Nairobi – as well as a number of other environmental non-governmental organisations.

Behind the cash is the Swiss hope that the UN can be persuaded to keep in Geneva the secretariats dealing with biodiversity, climate change, desertification, toxic waste and endangered species. But it has a fight on its hands. Bonn is fighting tooth and nail to get the WTO.

Yesterday Switzerland upped the ante, saying as part of its WTO bid package it would allow Islamic diplomats – for all international bodies – to register two wives, against the current practice of permitting just the one.

Geneva's hopes of remaining a centre for international affairs have recently taken a bashing; it's lost the UN Commission for Sustainable Development and much of the Department of Humanitarian Affairs to New York. Perhaps it should content itself with the WTO and have done with it.

Knock-down prices

■ *If* in doubt, pick on the immigrant. Venezuela's large community of Portuguese immigrants is feeling the sharp end of a government drive against inflation and so-called "price speculators".

President Rafael Caldera's officials have raided enterprises large and small, including many owned by Portuguese immigrants. Among punishments meted out have been confiscations of goods, later sold at "popular" prices by the authorities.

Oddly enough all this is taking place after a diplomatic love-in between President Caldera and Aníbal Antonio Cavaco, Portugal's prime minister – who paid an official visit to Venezuela in June. What can have passed between them?

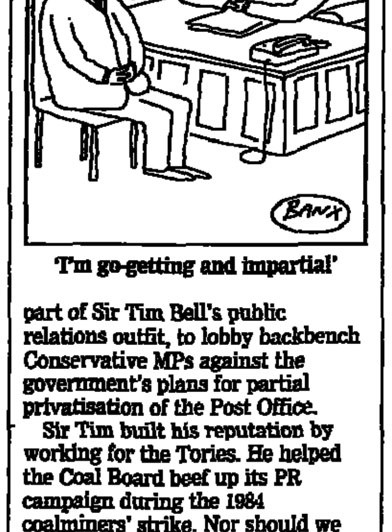
Not yet licked

■ If you can't beat them, get them to join you. So must think Britain's Union of Communication Workers, which has hired Lowe Bell Political, part of Sir Tim Bell's public relations outfit, to lobby backbench Conservative MPs against the government's plans for partial privatisation of the Post Office.

Sir Tim built his reputation by working for the Tories. He helped the Coal Board beef up its PR campaign during the 1984 coalminers' strike. Nor should we forget his key role in all Baroness Thatcher's general election victories.

Thus who better, reasons the UCW, to persuade disgruntled Tory backbenchers of the need to keep the Post Office public? And Sir Tim's advice comes relatively cheaply too – an initial three-month contract costing "in excess" of £10,000 a month.

Watch closely who poses Post Office questions in the Commons, after the summer recess . . .



'I'm go-getting and impartial'

Dog's breakfast

■ Collectors of bizarre acronyms may be tickled to learn that the Asean Regional Forum, a talking shop embracing south-east Asia, the US, China, Russia and others to discuss Asian security issues, will hold its first meeting in Bangkok on July 25. Asian diplomats working on the meeting are puzzled by their Australian counterparts making the noise "arf arf" on every conceivable occasion. Well, it *is* the year of the dog, after all.

Market forces

■ If Mohammed won't move to the mountain, then the mountain must shift instead. Dissatisfied with the number of business types willing to trek across London to St James's Square, the Royal Institute of International Affairs is next Monday heading east, to get nearer its putative corporate audience.

At the Bank of England's first "Chatham House in the City" meeting the speaker will be Celso Amorim, foreign minister of Brazil, a country the Institute sees as as an "emerging market". Admission is "by ticket only" and would-be participants were supposed to apply by July 4.

As of yesterday, however, the lecture was far from being a sell-out. Presumably because, as the old Brazilian adage has it: "Brazil is the land of the future – and always will be".

Democratic oafs

■ Sir Crispin Tickell, formerly Britain's UN ambassador and now head of Green College, Oxford, recently served up a current Russian epigram, gleaned from a dinner he attended at Westminster School.

Translated from their own Russian by two Westminster scholars, it goes like this:

The rise of Zhirinovsky goes to show
That evil's not confined to Uncle Joe;
And Russia learns the lesson, sad but true,
Democracy produces bastards, too.

Injector seat

■ There is good news and bad news. The good is that despite the swingeing cuts announced by Britain's defence minister Malcolm Rifkind yesterday, the Red Arrows, the internationally famous Royal Air Force aerobatics team, is to be left intact and soaring. The bad is that the Ministry of Defence is seeking sponsorship for the unit. Aeroflot is thought to be keen . . .

FINANCIAL TIMES
Friday July 15 1994

Challenge to Berlusconi government decree

Milan's anti-corruption magistrates team quits

By Robert Graham in Rome and Andrew Hill in Milan

The entire team of Milan magistrates largely responsible for bringing down the postwar political system in Italy through its corruption investigations resigned last night.

Their action was in protest at a decree introduced by the Berlusconi government on Wednesday cutting magistrates' powers to use preventive detention during their investigations.

The move represents the most serious political and popular challenge to the two-month-old government on an issue which the new administration has sought to brush under the carpet.

Among those resigning was Mr Antonio Di Pietro, rated in opinion polls as one of the most popular figures in Italy. Mr Di Pietro broke the original corruption scandals in Milan and has been instrumental in bringing to justice more than 300 businessmen and politicians on charges of corruption and illegal financing of political parties.

It was not clear last night whether the magistrates' move – which could be followed by similar resignations elsewhere in the country – was simply designed to put pressure on the government to change its mind. But in an emotional statement last night Mr Di Pietro said he and his colleagues had asked to be removed from all their current investigations because the government's legislation had undermined their task and more than 2¼ years of investigations.

The government's decree, with immediate effect, was intended to prevent abuses in the use of imprisonment. This was widely used as a means of pressure to force confessions, the government claimed.

Because of the decree 44 people named in new arrest warrants yesterday were all allowed to return to their homes, where they face a form of house arrest. Police yesterday issued warrants for the arrest of Mr Alberto Falck, chairman of Falck, Italy's biggest private steelmaker, and Mr Giuseppe Tramontana, managing director of La Rinascente, one of the country's leading retail chains, as the Milan magistrates deepened their investigation into bribes allegedly paid by big business to anti-fraud police.

Arrest orders were also issued for the president of the Italian accountants' federation, and executives from sectors as diverse as construction, pharmaceuticals and funeral direction. Neither Falck nor La Rinascente commented on the developments.

The Milan magistrates' inquiry – the latest in the two-year effort to uncover corruption – centred on Italy's Guardia di Finanza. Officers co-operating with magistrates have alleged that large Italian companies systematically bribed a unit assigned to investigate potential tax fraud by businesses with turnover of more than L5bn ($3.2m) a year. Police allegedly ignored accounting abuses and tax fraud after receiving kickbacks.

'Excellent' foreign films to be screened soon in China

By Our Beijing Correspondent

China is to allow its cinemas to screen new foreign films and to share the profits with foreign producers but only about 10 "excellent" new movies are to be accepted for screening each year.

Chinafilm, the state monopoly film importer, said "an end is in sight to the 40-year-old tradition of buying outdated and low-grade but cheap foreign movies".

"We are negotiating with world-renowned film corporations in the US and some other countries, with which we had no contact before," said Mr Wang Zengfu, of Chinafilm. He declined to identify the companies or the profit-sharing arrangements.

The official Xinhua news service said the imports might include Oscar winners and other leading films. Mr Wang said the films selected would "reflect world civilisation and modern achievements in film and art techniques".

He said the sluggish film market was one reason for the reform. "The plan is aimed at expanding cultural exchanges, reviving the film market, meeting the audience's needs and developing the national film industry."

Until now, Chinese television and cinemas have recycled classics such as *The Sound of Music* and *Gone with the Wind*. American soap operas such as *Dynasty* and *Beauty and the Beast* have also been shown on television.

Cinemas were compelled to screen communist propaganda movies, particularly after the crackdown on dissent which culminated in the Tiananmen Square massacre of June 4 1989. This meant the country's 200,000 cinemas were nearly always empty apart from young couples using their free tickets in order to have a cuddle in the dark.

In 1991, Li Ruihuan, a relatively liberal senior leader who is a member of the Politburo's Standing Committee, reversed restrictions on films with no propaganda value, giving cinema managers hope of making a profit.

But China's film-makers still have battles with the censors and bureaucrats at state-owned movie studios. Box-office hits are rare and most cinemas lose money.

Many Chinese prefer to stay at home and watch locally made soaps or pirate videos. Most videos are dubbed or produced in Taiwan and Hong Kong and are frequently lewd and violent.

Beijing announced earlier this month that it would impose new censorship rules on imported films.

China slows economy but keeps its eye out for unrest, Page 6

Santer

Continued from Page 1

consult with leaders of the main political groups in the European parliament. Some leading MEPs have expressed concern over the selection procedure and the stature of the likely winner.

Mr Kohl scheduled the summit to ensure that the nominee could appear as planned next Wednesday before the Parliament, which has the right to approve or reject the new Commission as a whole.

Bonn seeks benefit change

Continued from Page 1

level of benefit, which Mr Waigel proposes to restrict.

The net borrowing requirement has been kept below this year's DM69bn, in spite of soaring debt servicing costs, by assuming privatisation revenues from the sale of Lufthansa, the national airline, of a net DM1.5bn, and of the Rhine-Main-Danube canal company of DM800m.

A further DM5bn will come from the assets of the former East German central bank. A second way of keeping the 1995 borrowing requirement down is to bring forward payments of the oil tax on big companies from February 1996 to December 1995, topping up Mr Waigel's tax revenues by DM2.6bn.

The cost of servicing the federal government debt – which assumes the debts of the Treuhand privatisation agency in eastern Germany next year – will rise 38 per cent to DM92.6bn.

UK to cut 18,000 jobs in defence shake-up

By Bruce Clark, Bernard Gray and James Blitz in London

More than 18,000 British defence jobs are to be cut, Mr Malcom Rifkind, the UK defence secretary, said yesterday, but he softened the blow by announcing orders for new weapons worth about £5bn ($7.7bn).

His announcement, which drew angry protest from opposition spokesmen and trade unionists, marked the conclusion of an eight-month study designed to cut £750m from the annual defence budget from 1997.

Mr Rifkind told the House of Commons that the cost-saving drive would make no difference to Britain's fighting strength and the money saved would enable some upgrading of capacity.

The heaviest job losses will be in the Royal Air Force which will lose 7,500 personnel, while another 7,100 civilian jobs will go.

To counterbalance the effect of the job losses, the defence secretary announced firm orders for £2.4bn worth of weaponry and invited tenders for hardware worth a similar amount.

"The orders will preserve and enhance our fighting strength and help sustain over 10,000 jobs," Mr Rifkind said. "Our plans for the armed forces reflect the challenges we are likely to face," he said.

Mr David Clark, the opposition Labour party defence spokesman, rejected the contention that fighting strength was unimpaired. He said that in the event of war "today's short-term financial savings could cost British lives".

The cuts go to the highest level in the forces with some 20 military and civil service posts of the rank of major-general or above being abolished.

At the Ministry of Defence headquarters, a further 1,500 jobs are to go and two buildings are to close.

Many of the orders spelt out yesterday had been expected for some time. However, Mr Rifkind made a surprise announcement that in the light of experience in the Gulf war, the UK would be ordering laser-guided Paveway 3 bombs from the US manufacturer Texas Instruments.

It was also opening negotiations with the US government to buy the Tomahawk cruise missile. These so called "smart" munitions proved particularly effective in the Gulf.

Mr Rifkind also announced that a frigate and a submarine which were previously to have been mothballed would be retained in active service.

He added that defences would be strengthened by the formation of a joint service rapid deployment force, including paratroopers, marines and RAF aircraft.

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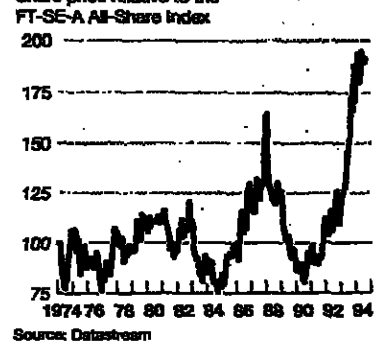
THE LEX COLUMN

Tesco's tasty titbit

By valuing William Low on a multiple of 5.6 times historic earnings and a yield of 6.2 per cent, it was clear that the market had given up hope for the Scottish grocery chain. Thankfully for Low shareholders, Tesco thinks otherwise. By annexing the 57-store chain to its empire, Tesco will double its market share in Scotland overnight. It should be able to make quick efficiency gains by knocking out Low's head office and rationalising its distribution network. Tesco could also lift sales by pushing its own cheaper products through the stores. The economies of scale are such that Tesco can offer a 33 per cent bid premium and still promise the deal will enhance earnings next year. The transaction is like the food retailing acquisitions of old. Tesco has performed this trick several times before.

Indeed, the purchase makes so much sense that it would be surprising if the logic did not appeal to others. J. Sainsbury, in particular, has been expanding in Scotland but has run into obstacles. Stricter planning rules have made it hard to buy greenfield sites while competitors, such as Argyll, have bid up the prices of available plots to keep Sainsbury out. Buying a big chunk of infrastructure in Scotland must appeal, given its most northernmost distribution centre is outside Manchester. The possibility of Sainsbury launching a hostile bid seems remote. But it is certainly puzzling why Low's financial advisers, Baring Brothers, which conducted such an effective auction for the toymaker Spear, did not try to entice Sainsbury into the frame as well.

FT-SE Index: 3050.4 (+45.1)



Source: Datastream

GUS

The sleeping giant of the stores sector seemed finally to have woken up last year when it enfranchised its shareholders and hinted it might return some of its cash mountain to investors. But judging by yesterday's annual figures, at least, GUS has turned over, yawned and nodded off again. Expectations that the company would launch a buy-back programme or special dividend were dashed and GUS's shares fell 4 per cent on the disappointment.

Such a response seems myopic given the strength of GUS's trading performance. All divisions made good progress, with the mail order arm again shining through. But shareholders have been salivating at what could be done with GUS's underutilised balance sheet, which boasts £1.5bn of cash and £1bn of freehold and long-leasehold properties. How the likes of Hanson would gear up from such a base scarcely bears contemplation. GUS, though, seems committed to some more dull plodding which will frustrate its more avaricious shareholders. Lower interest receipts are already dampening GUS's figures. Buying more gilts hardly constitutes the most attractive use for surplus cash.

That said, GUS's conservatism has its merits, as is demonstrated by 46 years of increased pre-tax profits with no calls on shareholders during that time. There seems little reason why the company cannot continue in the same vein making it the most reliable of investments. Indeed, investors wondering whether to put their money into cash, gilts, property or equities should look no further. In GUS, they get all four in one.

Rank Organisation

It is hard to see why Rank merits a premium rating. The stock has strongly outperformed the market over the past year. One reason was a widely-held belief that the leisure group would benefit disproportionately from the economic recovery. Another was a belief that Rank would make a handsome profit from selling its 49 per cent investment in Rank Xerox to Xerox.

Yesterday's interim results provide little support for the first argument. Operating profits from the businesses Rank manages itself were only 9 per cent up on the same period of last year. Margins barely advanced. That hardly looks like profits making a strong cyclical recovery. Moreover, the longer-term outlook for these managed businesses is not especially rosy. The video duplication side, a star performer in these results, will gradually decline as video-tapes are overtaken by compact discs and electronic delivery of videos. The bingo business, where profits were flat in the half, appears to be suffering against the competition. Similarly, the holiday operations are stuck in a low-growth market, as Britons are increasingly travelling abroad for their holidays.

It is true that Rank Xerox was a bright spark, increasing its profit contribution before restructuring costs by 38 per cent. But a quick sale to Xerox does not look likely. For a start, the US photocopier giant does not have enough cash. Even if it did, much of the profit from a sale would be gobbled up in capital gains tax.

UK electricity

The regulator's decision not to liberalise the wholesale electricity market will be regarded as a climb-down by large energy users. Big industrial companies had been pressing for the right to buy electricity outside the pool and for changes to the bidding process by which pool prices are set. Offer has given them neither. Yet the regulator's overall conclusion that the costs and risks of tinkering with the present arrangements outweigh the likely benefits has merit.

Changing the system of marginal pricing – whereby all generators receive the highest bid required to meet demand – would not necessarily lead to cheaper electricity. At present small generators which have signed long-term gas supply contracts put in artificially low bids to be sure of constant business. Bidding practice would change if generators were held to their individual bids. These smaller generators would have to guess where to pitch their bids to be sure of winning business. National Power and PowerGen, which have more flexible plant and are almost always the marginal bidder, would find such a system easier to play. Their market power might actually increase.

The decision not to allow large users to buy outside the pool is, on the surface, harder to defend. But Offer is right to worry about maintaining volume and transparency in the pool. Since the two large players have the advantage of a range of fully-depreciated generating capacity, they might anyway have picked up the best of the outside contracts.

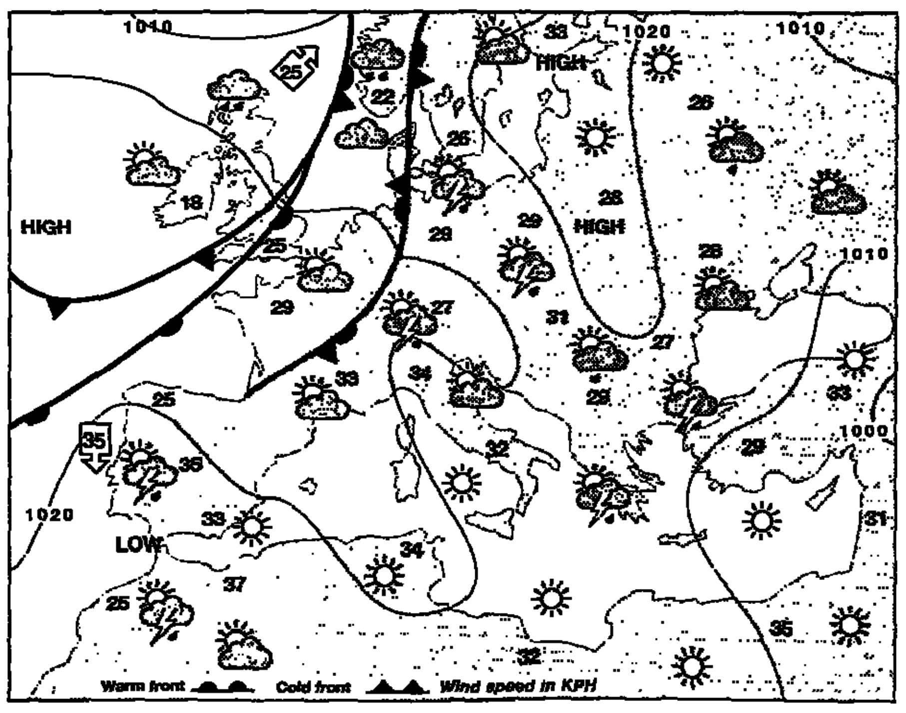
FT WEATHER GUIDE

Europe today

There will be overcast skies and patchy rain over Wales, western and northern England and western Scotland, as well as outbreaks of rain in Norway. However, frequent sunny spells are expected in Sweden and Finland where temperatures will rise to well above normal. The Benelux and western France will experience sunny spells as drier air spreads over the region, but heavy thunderstorms are expected over Germany, Poland and the Alps. Thunderstorms are also expected over the eastern Balkans, but the western regions will be dry with frequent sunny spells. Italy and south-eastern Spain will enjoy prolonged sunshine, although conditions may be showery over Portugal and western Spain.

Five-day forecast

Rain will spread east over Scandinavia. The British Isles will enjoy frequent sunny spells, although it will become rainy over northern Ireland and Scotland from Monday. Scattered thundery showers will develop over most of the continent. Only southern Spain and Portugal, Italy and Greece will continue sunny and dry. Temperatures will rise above normal.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	fair	40
Accra	shower	29
Algiers	sun	34
Amsterdam	fair	23
Athens	sun	32
Atlanta	thund	32
B. Aires	cloudy	16
B.ham	cloudy	22
Bangkok	cloudy	32
Barcelona	sun	29
Beijing	fair	32
Belfast	fair	18
Belgrade	fair	29
Berlin	thund	29
Bermuda	fair	32
Bogota	cloudy	10
Bombay	cloudy	29
Brussels	fair	28
Budapest	sun	31
C.hagen	shower	26
Cairo	sun	35
Cape Town	fair	16
Caracas	fair	25
Cardiff	rain	19
Casablanca	sun	25
Chicago	fair	26
Cologne	fair	26
Dakar	fair	29
Dallas	sun	34
Delhi	fair	35
Dubai	sun	42
Dublin	fair	19
Dubrovnik	sun	30
Edinburgh	fair	20
Faro	fair	29
Frankfurt	shower	29
Geneva	shower	28
Gibraltar	fair	29
Glasgow	cloudy	19
Hamburg	fair	25
Helsinki	sun	29
Hong Kong	thund	31
Honolulu	fair	32
Istanbul	thund	27
Jakarta	fair	31
Jersey	fair	23
Karachi	cloudy	34
Kuwait	sun	45
L. Angeles	sun	23
Las Palmas	sun	26
Lima	fair	18
Lisbon	thund	26
London	fair	26
Lux.bourg	fair	26
Lyon	fair	31
Madeira	fair	24
Madrid	sun	35
Majorca	sun	33
Malta	sun	32
Manchester	shower	20
Manila	cloudy	31
Melbourne	fair	16
Mexico City	fair	22
Miami	sun	31
Milan	sun	32
Montreal	shower	27
Moscow	sun	26
Munich	thund	27
Nairobi	cloudy	22
Naples	sun	32
Nassau	sun	32
New York	shower	28
Nice	sun	28
Nicosia	sun	33
Oslo	fair	27
Paris	fair	29
Perth	fair	17
Prague	thund	27
Rangoon	cloudy	27
Reykjavik	fair	12
Rio	sun	17
Rome	sun	32
S. Frsco	fair	22
Seoul	fair	34
Singapore	cloudy	32
Stockholm	sun	31
Strasbourg	thund	28
Sydney	sun	17
Tangier	sun	30
Tel Aviv	sun	31
Tokyo	fair	30
Toronto	fair	28
Vancouver	cloudy	23
Venice	sun	30
Vienna	thund	30
Warsaw	fair	29
Washington	thund	33
Wellington	fair	10
Winnipeg	shower	30
Zurich	thund	27

FINANCIAL TIMES
COMPANIES & MARKETS
Friday July 15 1994

IN BRIEF

Market upheaval hits J.P. Morgan

Trading revenues at J.P. Morgan, the US bank, fell in the second quarter of the year, because of upheaval in world financial markets and US interest rate increases. Page 18

Sales boost for Schering
Schering, the Berlin-based pharmaceuticals group, said turnover in the first half of 1994 had risen 16 per cent and would be 12 per cent higher for the year as a whole, totalling DM4.6bn ($2.82bn). Meanwhile, Sandoz, the Swiss pharmaceuticals and chemicals company, reported sales up 2 per cent to SFr8.22bn ($6bn) for the six months ended June. The figures suffered from the weakness of the US dollar and strength of the Swiss franc. Page 16

Dip for Banco Popular
In the face of falling interest rates and sluggish growth, Banco Popular, the big Spanish bank, reported first-half pre-tax profits of Pta44.1bn ($350m), a 4.6 per cent dip on the same period a year ago. Page 16

Unbroken run for GUS
Great Universal Stores, the UK mail order and financial services group, has extended its 46-year record of consistent growth with a 9.4 per cent increase in pre-tax profits to £518.9m ($788.7m). Page 16

Woolworth struggles in a changing market
With annual sales of nearly $10bn, Woolworth is one of the world's biggest and best-known retailers. But for years it has been struggling unsuccessfully to keep up with the pattern of retail change in the US and overseas. Page 18

Chinese group seeks foreign capital
China's Huaneng group, the country's largest power generating organisation, is seeking foreign capital abroad, with planned listings in New York of two of its subsidiaries.
Page 19

Rank sees a return to growth
UK and US leisure spending has returned to growth, according to The Rank Organisation, the leisure company, boosting half-year profit before restructuring charges by 41 per cent to £127.9m ($194m). Page 21

Bob Payton dies in car crash
Mr Bob Payton, the 50-year-old founder of many of Britain's best-known US-style restaurants such as Chicago Rib Shack, Chicago Pizza Pie Factory and Henry J Beans, died in a car crash on Wednesday night. Page 21

Druck lifted to £5.4m
Druck Holdings, the UK manufacturer of electronic pressure measuring and control devices, saw pre-tax profits rise 14 per cent to £5.36m for the year to March 31, up from £4.69m.
Page 22

Cut out of cuts
Aluminium producing countries taking part in the international agreement to cut global production have not been able to find a formula that would enable Brazil, the Gulf States and Venezuela to be included. Page 24

Companies in this issue

Market Statistics

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Linotype	350	+	9
Metallg'Techall	195	+	7
Falls			
Degussa	454	-	11
Karstadt	558	-	17
Schmalbach Lub	389.5	-	8.5
Varta	295	-	12

NEW YORK ($)

Rises			
Chrysler	51¼	+	1⅝
Comcast	43½	+	1⅞
Kendall Intl	54¼	+	3⅝
IBM	58⅞	+	1½
Falls			
Coastcast	23½	-	2
Enquirer	15¾	-	1¼

TOKYO (Yen)

Rises			
Daimaru	893	+	32
Green Cross	1200	+	60
Janome Sewing	417	+	24
M'bishi Steel	598	+	22
Mitsui	680	+	38
Renown	604	+	32

Paris closed. New York prices at 12:30.

LONDON (Pence)

Rises			
Antofagasta	348	+	20
Bass	553½	+	23½
Brewin Dolphin	144	+	6
Cable & Wire	433	+	21
Johnson Matthey	573	+	30
Kenshaw (A)	855	+	50
Low (Wm)	236	+	67
Mosaic Invs	30	+	3
Pearson	625	+	38
Portals	678	+	27
Rank Org	404½	+	13
Sage	535	+	25
Stanley Leisure	333	+	14
TI Group	395	+	20
Taunton Cider	168	+	8
Tesco	232½	+	10½
Falls			
Auto Security	104	-	6
Barbour Index	196	-	16
Eidos	320	-	20
Jones Stroud	270	-	33
Leeds Group	269	-	19
MR Data Mngmt	135	-	6
Peel Hldgs	298	-	12
Sterling Publ	153	-	7

US automobile manufacturer beats most forecasts with $956m net profits

Chrysler breaks quarterly record

By Patrick Harverson in New York

Chrysler yesterday provided the latest evidence of the robust recovery in the US automobile industry when it announced record net profits, of $956m, for the second consecutive quarter.

The results were at the top end of Wall Street forecasts and cheered investors who bid the group's stock up $1⅝ to $51⅛ in early trading on the New York Stock Exchange. Later in the morning, the share price slid back to $50⅝, but was still up $⅝.

Chrysler's strong second quarter took the group's first half profits to $1.89bn, up from $1.21bn a year ago. It said it earned $956m, or $2.61 a share, in the second quarter, up from $685m, or $1.55 a share, a year ago. The results beat the previous record of $938m achieved in the first three months of this year.

Sales and revenues jumped 19 per cent in the quarter to $26.3bn, thanks primarily to strong domestic demand for both cars and trucks. Sales between April and June totalled 709,158 units, up from 625,295 in the previous three months.

Chrysler is the first of Detroit's Big Three automobile manufacturers to report its second quarter results. Industry analysts expect Ford and General Motors to post similarly strong earnings growth. They point to rising sales in the healthy North American market and the recovering European market. Car makers are also benefiting from cost-cutting measures.

The share prices of both Ford and GM also rose yesterday.

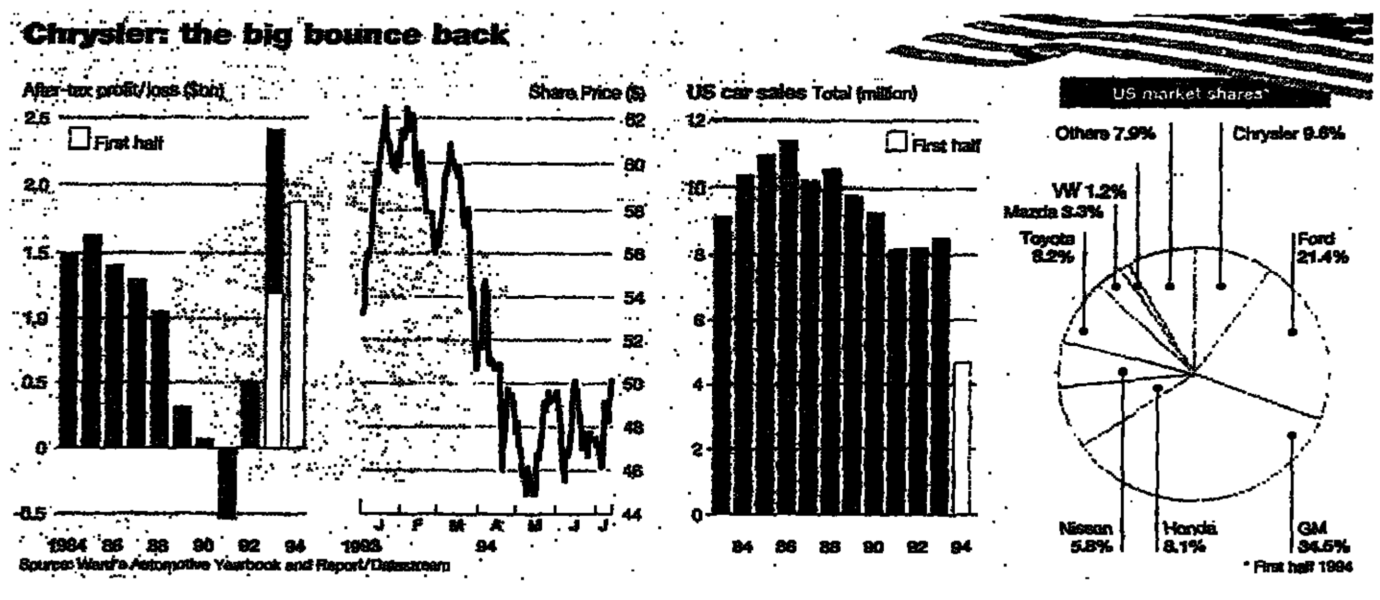
The impact of Chrysler's cost-reduction efforts is evident in the improvement over the past year in the group's measure of profit-per-vehicle, which jumped from $810 in the second quarter of 1993 to $1,300 this time.

The domestic market has been so strong that Chrysler has struggled to meet demand for its most popular vehicles. Ford and GM have also been stretched in supplying dealers.

Mr Robert Eaton, Chrysler's chairman, said yesterday the group was "carefully adding increased capacity" over the next three years to meet rising demand.

The group's share of the North American car and truck market was 15.4 per cent, unchanged from a year ago, and slightly down from 15.7 per cent in the first quarter.

Chrysler Financial, the group's financial services arm, reported second quarter net earnings of $44m, unchanged from a year ago. The group also announced yesterday it had contributed another $600m to its pension fund, and was on target to wipe out its unfunded pension liability – for long a restraint on its stock and credit rating – by the end of this year.



Source: Ward's Automotive Yearbook and Report/Datastream

Macy's gives in to $4bn merger

By Richard Tomkins in New York

Bloomingdale's and Macy's, two of the best-known names in US retailing, are to be brought together in a $4.1bn deal that will create the biggest department store group in the US.

The board of R. H. Macy, owner of the Macy's chain, announced it had given way to six months of courtship by Federated Department Stores, owner of the Bloomingdale's chain, and agreed to a merger.

The combined company will have more than 300 department stores across the US, though it is likely that a small number will close where they overlap. Its annual revenues will exceed $13bn.

R. H. Macy has been operating under Chapter 11 bankruptcy protection since January 1992. Until recently it had hoped to submit a plan for a reorganisation that would bring it out of bankruptcy under its existing management.

In January, however, Federated made an unusual takeover bid for R. H. Macy by acquiring $449m worth of its highest-ranking debt from one of its creditors, so giving it a powerful say in the company's future.

Since then R. H. Macy has been trying to convince creditors that they would be better served by a plan that ensured the company's independence.

The argument, however, has been won by Federated, which offered creditors a $4.1bn package comprising $378.3m in cash, $1.9bn in debt, and $1.8bn of equity in the new Federated/R. H. Macy entity.

Subject to their boards' approval of a merger, the two companies will now submit a reorganisation plan to the US bankruptcy court by August 1.

As the plan is supported by all big creditors, including the *bondholders' committee*, approval is unlikely to be withheld. The companies hope the merger will be completed next January.

The new entity will be headed by Mr Allen Questrom, Federated's chairman and chief executive, but he will be joined on the board by four R. H. Macy directors, including Mr Myron Ullman, chairman and chief executive.

The two companies' store chains will continue to operate under their existing names, but some individual stores may change their identity. Federated owns several chains including Abraham & Straus, Rich's and Stern's.

Olivetti agrees to sell Triumph-Adler arm

By Andrew Hill in Milan and Michael Lindemann in Bonn

Olivetti, the Italian computers group, has agreed to sell the financial holding company of its Triumph-Adler office products subsidiary in Germany to a consortium of German banks and investors for an unspecified sum.

However, the Italian group is retaining ownership of TA Vertriebs, which is responsible for research, development and marketing of Triumph-Adler's range of typewriters and office equipment in Germany and elsewhere.

Olivetti stressed yesterday that it would retain control of the Triumph-Adler brand name, and has increased the equity capital of TAV to DM100m ($61m) to stimulate its activities.

Talks on the sale have been going on since the end of last year, and the deal should be formally confirmed at a Triumph-Adler shareholder meeting in August.

IMM, the consortium buying Triumph-Adler, said it would continue to manufacture typewriters from the company's Frankfurt factory, and had agreed a long-term contract for production and distribution with TAV.

The consortium also plans to reorganise Triumph-Adler's activities into selected new areas, to develop the group into a "diversified holding company for medium-sized companies in stable market".

Both Triumph-Adler and TAV, which have suffered losses in the past few years, are expected to record profits for 1994.

Triumph-Adler, one of the best-known German names in typewriters and office equipment, has shrunk beyond recognition over the past two decades, lurching from one bout of restructuring to the next.

The company's typewriters were market leaders in the 1970s, then owned by Litton Industries, the US group. But the company was left standing as technological change overtook its core products.

In the mid-1980s the company was owned by German automotive group Volkswagen, employed around 7,000 workers and had sales of more than DM1bn. Now it employs just 620 staff and lost DM70m in 1993 on sales of DM300m.

Olivetti took over the Nuremberg-based company in 1986 but attempts to launch a Triumph-Adler computer came to nothing.

Even the traditional typewriters business continued to lose out to competition in the US, which once accounted for a third of total sales.

Bank rules to reflect new derivatives risks

By Norma Cohen, Investments Correspondent

The Basle Committee on Banking Supervision yesterday proposed new rules for banks which will require them to hold far more capital against increasingly complex derivative instruments.

"The [Basle] committee's review indicated that the current approach may produce insufficient capital for certain kinds of instruments," the Bank for International Settlements said.

It noted that current capital requirements were designed for traditional interest and currency swaps rather than the commodity and equity derivatives "which are rapidly growing segments of the market".

The proposals also suggest that more capital should be required for longer-term derivative positions which can cause hefty losses for banks in volatile market conditions.

The Basle Committee, a division of the BIS, said it was seeking comments on the proposals by October 10 and hoped to implement them by mid-1995.

However, the higher capital requirement will be offset by an amendment to the Capital Accord of 1988. This will sharply reduce the amount of capital banks have to hold for off-balance sheet transactions which can be "netted" with a single counterparty.

According to the Bank of England, this rule could reduce the capital requirement of a "typical" bank portfolio of interest rate and currency swaps by 25 to 40 per cent.

The Capital Accord of 1988 sets out international standards for banks aimed at insuring they have enough capital to withstand risks.

The new *netting arrangements, which* had been proposed last year, will force banks to set aside capital only for the "net" exposure, that is, the difference between the value of all the transactions with a single counterparty.

The arrangements will only help banks in countries, such as Britain and the US, whose bankruptcy laws recognise netting.

Thus, banks which may have several offsetting transactions with each other – such as a series of interest rate or currency swaps – will only need to have enough capital for a small portion of the total value.

However, the Bank of England said yesterday that UK and other EU banks will not be allowed to take advantage of the new rule until it becomes part of an EU Capital Adequacy Directive next year.

J. Sainsbury considers whether to join the bidding

Tesco launches £200m offer for Scottish stores

By Andrew Bolger in London

Tesco, the UK's second largest supermarket chain, yesterday made a recommended offer for William Low, the Scottish retail group, in a deal worth £200m ($304m).

But J. Sainsbury, Tesco's bigger rival, signalled that it was also considering its options, raising the prospect of a takeover battle over the Scottish chain.

Tesco is offering £154m in cash for the share capital of Wm Low and would assume debt of just over £50m. The deal was unanimously recommended by the Wm Low board.

Sainsbury's entered the picture when it told Reuters: "Wm Low is something we have looked at before. It is an obvious candidate for takeover and has been for some time. We have looked at in the past and as a result of this morning's takeover news we are reviewing the situation."

Analysts said it would be out of character for Sainsbury's to become involved in a hostile takeover battle.

Sainsbury's has only four outlets north of the border – three supermarkets and one hypermarket. Tesco said its 16 Scottish stores would be a good strategic fit with Wm Low's 45 outlets in Scotland and 12 in the north of England.

Tesco said there would be few, if any, immediate closures of Wm Low stores. But it would be necessary to integrate the management and support services provided by just over 300 people working at the company's Dundee head office into Tesco's administration. "Accordingly, there may be a significant number of job losses if the head office were to close," Tesco said. Most of the other 9,000 jobs in the group look secure.

Sir Ian MacLaurin, the Scot who chairs Tesco, said the Wm Low outlets would be renamed Tesco, but an effort would be made to develop a distinctive Scottish identity – perhaps using a Tesco Scotland brand.

Tesco said it would spend £35m on rebranding the Wm Low stores and introducing its own-label products. It said Tesco's prices were on average 5 per cent lower than Wm Low's.

Tesco is offering 225p in cash for each Wm Low ordinary share and 105.5p for each convertible preference share. There is a full share alternative, worth 236p per ordinary share at last night's close. Wm Low's shares rose by 67p to 236p, while Tesco's shares closed 10½p higher at 232½p.

Scotland has become one of the most fiercely contested battlegrounds in the war raging through the UK food retailing sector. It has been targeted both by aggressive discount retailers, wooing canny consumers, and the larger UK supermarket groups such as Sainsbury's and Tesco, both of which have relatively small market shares north of the border.

This competitive crossfire was cited yesterday by Mr James Millar, when the 63-year-old chairman of Wm Low explained why his board was recommending that the group – which he joined 35 years ago – should accept Tesco's bid.

Mr Millar said the group had prospered during the 1980s, buoyed by the growth of the Scottish economy and the retail sector. But recent price deflation, and continuing pressure on margins and sales, had exposed the group's small size – and consequent inability to benefit from the economies of scale enjoyed by its larger competitors.

The combined group would have 13.7 per cent of the Scottish market – second only to Argyll Group, which owns the Safeway and Presto stores.

Lex, Page 14

Colin Beere

Tesco's Sir Ian MacLaurin (left) and Mr James Millar, of Wm Low

Strong yen lifts first-half turnover 16% at Schering

By Michael Lindemann in Bonn

Schering, the Berlin-based pharmaceuticals group, said turnover in the first half of 1994 had risen 16 per cent over the same period a year ago and would be 12 per cent higher for the year as a whole, totalling DM4.6bn ($2.82bn)

However, Mr Giuseppe Vita, chief executive, warned that the company would have to double its present 5 per cent profit margin over the next five years if it was to keep abreast of its US competitors.

The improved turnover was due partly to a strong yen but mainly reflected better sales across a range of pharmaceutical products, including contraceptive pills and Betaseron, the first effective treatment for multiple sclerosis.

The company, which is now focused exclusively on pharmaceuticals following the sale of its agrochemicals division, gave no details about profits so far this year. Full results for the first six months would be released at the beginning of August, the company said.

The group said earlier this year that first-quarter earnings had risen 2 per cent to DM124m and forecast that earnings for the year would match last time's DM254m, 3 per cent down on the year before.

In the first two months of 1993, turnover had risen by 21 per cent over the year before but the company said this jump was relative to low sales in the same period in 1993, when health reforms in Germany had dented sales.

Continued uncertainty about health reforms in various countries, including the US, would put pressure on pharmaceuticals producers, but 1994 sales of Betaseron would reach the DM300m already forecast, the company said.

Schering's turnover totalled DM5.36bn last year but this included the agrochemicals division, which was put into a 40/60 joint venture with Hoechst, the German chemicals group, at the beginning of this year. The improved 1994 turnover forecast is based solely on sales of pharmaceutical products.

KWELM claims could climb

By Richard Lapper in London

Claims on the insurance subsidiaries of London United Investments, the financial conglomerate which crashed four years ago, could climb to $10.8bn, according to the companies' administrators.

Insurance liabilities faced by the subsidiaries – known as the KWELM companies – have increased to $6.2bn, compared with $4.7bn a year ago.

An additional reserve - a so-called "special margin" - has also been increased by $800m to $4.6bn. The insolvency of the KWELM companies is regarded as the biggest in the history of the insurance industry.

The companies underwrote relatively high risk liability business, specialising in the insurance of North American companies and professionals against legal awards. Most of the business was written through HS Weavers (Underwriting) Agencies between 1972 and 1990.

Mr Chris Hughes and Mr Ian Bond, of Coopers & Lybrand, administrators of the insolvency scheme, said "recent developments in the US liability market" were responsible for the higher losses.

The companies had been hit by legal awards against the manufacturers of silicon breast implants and against accountants, as well as by asbestos and pollution-related actions.

Despite the increased liabilities, the administrators expect eventually to be able to pay 40 cents for each dollar of claims, the same percentage payout as they estimated a year ago.

"We have collected some $90m more cash than we forecast last year, reflecting good progress with reinsurers."

The administrators have set aside $563m as a first payment to creditors. Payments will be made by September 30.

Claimants on policies sold by Kingscroft Insurance and El Paso Insurance will receive 8 cents in the dollar. Those on Lime Street will receive 9 cents, on Walbrook 4 cents and on Mutual Reinsurance 5 cents.

Claims and payments will be made over a 10 to 20-year period.

Greece to privatise parts of DEP units

Greece is to privatise a minority stake in subsidiaries belonging to the state-owned Public Petroleum Corporation (DEP), Reuter reports from Athens.

"The government has decided to float a minority share in subsidiaries of DEP via the stock exchange without transferring strategic decisions to private individuals," said Mr Andreas Papandreou, prime minister.

Earlier this year Mr Manolis Daskalakis, DEP's managing director, said between 20 and 25 per cent of EKO refinery and Hellenic Aspropyrgos Refinery (ELDA) would be floated on stock markets in Greece and abroad, including New York.

The part-sales, which would also include an unspecified percentage of DEP itself, would begin by early 1995, Mr Daskalakis said. DEP's 1993 pre-tax profits were Dr25.1bn ($108.2m) and the company is expected to top Dr30bn this year.

Greece's socialist government, which came to power last October, has said it is willing to float minority stakes in state companies but will retain management of the enterprises.

A 25 per cent stake in Greek Telecommunications is scheduled to be floated on to the stock market.

Shares slide despite rise at Great Universal

By David Wighton in London

Great Universal Stores, the UK mail order and financial services group, has extended its 46-year record of consistent growth with a 9.4 per cent increase in pre-tax profits, to £518.9m ($814.1m) for the year to March.

The shares, however, slipped 25p to 562p on the announcement that the company had no plans to spend its £1.46bn cash pile.

Since the company enfranchised its "A" shares last year, there has been speculation it would buy in some of its shares, or pay a special dividend.

Mr Richard Pugh, deputy chairman, said a buy-in was "under review", but stressed that it had not been "fully explored". He said the group had looked at potential acquisitions, but the vendors were asking too much for goodwill.

Dividends are being increased by 18 per cent to 13p, with a final of 9p, but cover remains above 2½ times with earnings per share up 9 per cent at 34.3p.

Last year, strong growth in operating profits offset the fall in returns from the cash holding, which was due to lower interest rates. Operating profits rose 17 per cent to £414m, and would have been £3.8m higher at constant exchange rates, but for the fact that net interest receivable fell to £101.8m from £117.2m.

Mr Pugh said the improving trend had continued into this year, with sales and pre-tax profits in the first two months "somewhat ahead" of the comparable period. However, the company cautioned that consumer demand remained "selective".

All the group's trading divisions turned in higher profits last year, with the home shopping contribution up 21 per cent at £194.2m, on turnover up 5 per cent at £1.95bn. The finance businesses turned in £67.3m, against £53.3m, at the operating level. Profits from Burberrys and Scotch House jumped 44 per cent on sales of £200.9m against £170.6m.

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BT investors critical of executives

By Norma Cohen and Andrew Adonis in London

A stockbroker's survey has shown that some of British Telecommunications' largest shareholders are either unenthusiastic or critical of the company's top three executives.

The survey was conducted over two weeks through Cazenove, BT's broker, which promised anonymity.

Yesterday BT confirmed that "structured interviews" had taken place with 15 of its largest institutional investors. "Some of the responses were good, some indifferent, and some could be described as giving cause for concern," the company said. It added, however, that it was confident there was no criticism of individuals.

Shareholders, meanwhile, said privately they had been lukewarm, at best, about the top three executives. The three are Sir Iain Vallance, chairman and chief executive; Mr Michael Hepher, managing director; and Mr Robert Brace, finance director.

"We told them we viewed Sir Iain as sort of a figurehead, and we are not really too sure about exactly who is running the company," said one shareholder.

Another said that while they thought Sir Iain was doing a reasonable job under difficult circumstances, they could not comment on the other two men, because they were unsure of exactly what they did.

As well as questions about the senior executives, shareholders were quizzed on six critical areas of BT's business: profits, dividends, regulation, competition, cable and overseas activities.

According to company sources, the interviews were motivated partly by concern at the steep fall in BT's share price in the first half of the year, and a belief that City confidence in the company required boosting. BT's share price fell by nearly a quarter between February 1 and July 1.

BT conceded that it was the company's first such approach to its large shareholders. However, it declined to disclose the results or say whether the survey had been authorised by the board.

The shareholders said they were surprised by the survey. They said that a company of BT's size would usually use an investor relations professional to conduct face-to-face interviews if it became concerned about about how it was perceived in the City of London.

"It's a very odd way of conducting your shareholder relations," said one leading investor, noting that in recent years BT has been aloof from its largest investors.

Fresh Creditanstalt bid likely

By Eric Frey in Vienna

The German insurance group Allianz is considering a bid for a majority stake in Creditanstalt, the Austrian bank, according to an Austrian newspaper report.

Citing unnamed sources, the Vienna newspaper Standard said a delegation of Allianz officials would meet Austrian finance ministry officials today in Vienna for exploratory talks. A spokesman for Allianz in Munich declined to comment on the report, citing German insider trading laws.

An offer by Allianz would add a new twist to the battle over Austria's second largest bank, which is already being sought by CS Holding, the Swiss banking group, and a consortium that includes Commerzbank of Germany, Italian insurer Generali and various Austrian companies.

The government, which owns 49 per cent of Creditanstalt equity and 70 per cent of its voting stock, wants to sell part of its holding before the end of the year.

At current stock market prices, the government's stake in Creditanstalt is worth about Sch14bn ($1.3bn).

Austria's finance minister Mr Ferdinand Lacina, a social democrat, is known to favour the CS Holding bid because it would make Creditanstalt part of a strong international banking group.

CS Holding, the Swiss financial group built around the Credit Suisse bank, has promised to retain Creditanstalt's independence if its offer is accepted.

However, the prospect of a large Austrian bank becoming a subsidiary of a Swiss bank has aroused strong national opposition to the offer.

The Conservative People's party, the junior coalition partner, favours the Austrian/Italian/German consortium.

In these circumstances, a bid by Allianz could be seen as the best solution for both sides and therefore an acceptable compromise. It would be Allianz's first move into banking.

Mr Lacina has postponed his decision until after the parliamentary elections in October, and has asked outside experts to evaluate the various offers in the meantime.

Sandoz shows 'solid' growth

By Paul Abrahams

Sandoz, the Swiss pharmaceuticals and chemicals company, yesterday reported first-half sales up 2 per cent to SFr8.22bn ($6bn).

The figures suffered from the weakness of the US dollar and strength of the Swiss franc. In local currencies, growth was described by the company as "solid" at 8 per cent. The turnover was at the low end of expectations, although Sandoz registered shares increased SFr11 to SFr659.

No profits figures were disclosed. First-half trading figures will be released at the end of August.

Sales at the pharmaceuticals division fell 1 per cent to SFr3.59bn. In local currency they increased 4 per cent if divestments by Biochemie, a wholly-owned subsidiary, were excluded. Biochemie sold a Spanish antibiotics plant at Santa Perpetua de Mogoda to Gist Brocades in July last year.

The nutrition division reported sales up 29 per cent to SFr1.15bn, an increase of 38 per cent in local currencies. Sandoz said the strong increase was mostly the result of acquisitions. Sales of Gerber Products, the US baby-food manufacturer Sandoz is buying for $3.7bn, were not included.

The chemicals operations reported sales down 8 per cent from SFr1.31bn to SFr1.21bn, a fall of 2 per cent in local currencies. Excluding the divestment of Alphen, the plastics additives company sold to Schenectady International of New York in December, sales increased 1 per cent.

Steady first half at Banco Popular

By Tom Burns in Madrid

Banco Popular, the big Spanish bank majority-owned by foreign institutions, has turned in a resilient performance for the first half of 1994.

Pre-tax profits were Pta44.1bn ($350m), a 4.6 per cent dip on the same period a year ago. After lower tax, net income was 1.9 per cent higher at Pta30.2bn.

Net interest revenue fell 2.8 per cent to Pta79.8bn, reflecting the sharp drop in interest rates between the two six-month periods and the resulting squeeze on margins.

The net interest fall was less than some analysts had predicted and suggested the possibility of more buoyant results in the second half of this year.

Popular's balance sheet strength was underlined by total assets of Pta3,038bn at end-June, 6.1 per cent up on December 1993 and 4.7 per cent up on June 1993.

Popular's loans and discounts portfolio grew by 3.4 per cent in the half year and by 7.2 per cent over the past 12 months. The ratio of non-performing loans to total risks fell to 2.79 per cent, down from 2.90 per cent at end-March and 2.93 at end-December.

Popular is the first of the big Spanish banks to report interim figures and its performance appears to set a strong standard for the results season.

Further slide in trading revenues at JP Morgan

By Richard Waters in New York

The upheaval in world financial markets touched off by a series of US interest rate increases in recent months led to a further fall in trading revenues at J.P. Morgan, the US bank, in the second quarter of the year.

The bank's earnings from trading dropped to $228m in the three months to June, less than half the average quarterly income of $514m seen in 1993, a record year.

The bank said it had not suffered any significant losses in particular markets, but had seen "modest positioning losses" in some fixed income, foreign exchange and swaps markets.

The lower income levels also reflected a decision to reduce its exposure at a time of market turmoil, the bank added.

The lower trading income, which compared with $520m in the same quarter of 1993, was the main factor behind a fall in non-interest revenues to $926m, from $1.1bn in the same period a year earlier.

Sir Dennis Weatherstone: bank's exposure reduced

Net interest revenue rose by 27 per cent to $540m, due mainly to the receipt of $35m of past due interest on Brazilian bonds together with $50m of interest on income tax refunds.

After-tax profits were bolstered, though, by a $225m gain from the previously announced sale of part of the bank's interest in Columbia/HCA, the US hospital group.

As a result, J.P. Morgan was able to report net income of $350m, or $1.73 a share, compared with $431m, or $2.12 a share, in the same period a year earlier. The annualised return on equity slipped from 23.5 per cent to 14.8 per cent, as shareholders' funds grew further to $9.7bn, from $8bn a year before.

Sir Dennis Weatherstone, chairman, said that trading with customers had remained at the high level of last year's second quarter, in spite of the fall-off in trading income.

He pointed to advances in income from investment management and operational services, as well as gains from equity sales, as an indication of the bank's efforts to diversify its earnings.

For the first six months of the year, net income was $695m, or $3.43 a share, down from $726m, or $3.59 a share, in the first half last year.

In early trading yesterday, J.P. Morgan's shares had fallen $⅝ to $60⅝ on mild disappointment at the results.

Canadians buy into Peru power

By Sally Bowen in Lima

Ontario Hydro, the world's fourth-largest power company, is making its first incursion into Latin America.

In association with Chilquinta, a Chilean electricity company, it has bought a 60 per cent stake in Edelsur, one of Peru's formerly state-owned electricity businesses. Edelsur covers the southern half of the capital, Lima.

The consortium, known as Ontario Quinta, bid more than $212m for a controlling stake.

The northern sector, Edelnor, was sold for $176.5m to a Peruvian-Chilean-Spanish consortium. The principal partners are Spain's Endesa, and Enersis and Chilectra of Chile.

Perelec, a third consortium made up of Electricité de France and SAUR, both of France, Houston Industries of the US and Peru's Banco Wiese's investment arm, bid only for Edelsur, but their offer was some $75m lower than Ontario-Quinta's.

The nationwide generation and distribution company, Electroperu, will also be sold.

Woolworth counts cost of change

Diversification has not been a success, reports Richard Tomkins

Frank Winfield Woolworth, the farm boy from upstate New York who founded the Woolworth empire in 1879, was known as a brilliant retailing entrepreneur. His skills are badly missed at the company that bears his name today.

With annual sales of nearly $10bn, Woolworth still ranks as one of the world's biggest and best-known retailers. For years, however, it has been struggling unsuccessfully to keep up with retail change in the US and overseas.

On Wednesday, the company was forced to acknowledge the extent of its financial difficulties by slashing its quarterly dividend from 29 cents a share to 15 cents, the lowest level since 1987.

This was just the latest, however, in a series of troubles afflicting the company.

● Last year Woolworth undertook a huge restructure in an attempt to bolster its flagging performance. It closed 970 stores across North America, including half its traditional general merchandise stores and a third of its Kinney shoe stores, at a cost of $726m before tax.

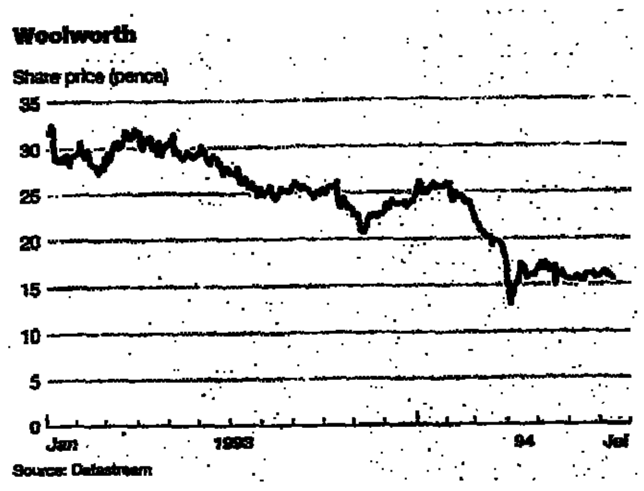
● Even ignoring the restructuring charges, operating profits slumped from $574m the previous year to just $73m in 1993. The company blamed disappointing sales and the need for heavy markdowns to clear goods. It reported net losses for the year of $495m compared with net profits of $280m the previous year.

● The poor performance has continued into the current year: first-quarter losses worsened from a restated $24m net loss last year to $38m, dashing hopes that the restructuring alone would be enough to bring profitable growth.

● Once a bastion of US corporate respectability, Woolworth astonished Wall Street and the US business community two months ago by revealing that employees had fiddled the previous year's quarterly results to make losses look like profits.

● An investigation into the deceit failed to attribute blame, but it resulted in the resignation of Mr Charles Young, the chief financial officer, and the demotion to vice-chairman of Mr William Lavin, previously chairman. Mr Lavin remains chief executive.

● Last month Standard & Poor's, the credit rating agency, downgraded Woolworth's debt from A minus to triple B plus with a negative outlook, citing weakness in the company's general merchandise and Kinney shoe store operations, and concerns about continued reliance on Kinney's Foot Locker as the main driver of profitability.



Source: Datastream

The root cause of Woolworth's problems lies in its failure to find a winning formula to replace the five-and-dime variety store concept on which it was founded.

The format has been in decline for 30 years amid a trend towards more specialised retailing, though the pace of decline has varied from country to country.

As long ago as the 1960s, Woolworth saw the way things were going, and adopted the policy still in place today: using the cashflow from the mature general merchandise store operations to finance an expansion into specialty retailing. It was one of the first big retailers to enter the discount store business with its Woolco chain, and it bought the Kinney shoe store operation in 1965.

Woolco, however, was not a success. Woolworth built up big debts to support its expansion but it was in too competitive a market, and the US chain was closed in 1982. At the same time, Woolworth sold its British general merchandise store chain to help fund its expansion into niche retailing formats.

In the years since, the specialty retailing operations have mushroomed. Today, Woolworth owns more than 7,400 specialty stores operating under 40 different names in North America, Europe, Australasia and Asia. They include the Foot Locker sports shoe stores, the Silk & Satin lingerie stores, the Northern Reflections women's casual wear stores, and the After Thoughts handbag and accessory stores.

The result is that Woolworth, best known for its variety stores, is now the world's biggest specialty retailer.

However, as with Woolco, the diversification has not proved a financial success. The only specialty retailer to have made a significant profit over the years is Kinney Shoe, the subsidiary that runs the Foot Locker stores – and its contribution to operating profits slumped from $360m to $125m last year.

Overall, operating profits from the specialty store operations, before restructuring charges, fell from $418m to $136m last year, with Kinney accounting for the bulk of both figures.

With the fashion for sports shoes giving way to more rugged footwear, analysts are now asking whether Woolworth's only successful diversification is in decline.

In a sense, Woolworth's decision to slash the dividend is part of its response to these fears.

The size of the pay-out had long looked unsustainable in the light of the company's financial performance, and halving it will leave the company with more money to invest in its specialty retailing formats.

The company also tried to reassure investors by putting Mr Ronald Berens, previously head of Kinney Shoe, in charge of all its specialty retailing operations worldwide.

Even so, the languishing share price – down another $⅛ in early trading in New York yesterday at $15⅛ – says the market has little confidence in the future.

Tyco to acquire Kendall

By Richard Waters

Tyco International, a diversified US manufacturer, is to acquire Kendall International, a maker of disposable medical products, in an all-stock deal valued yesterday at $1.38bn.

The acquisition will give Tyco, formerly Tyco Laboratories, a bigger presence in a market that it estimates to account for annual sales of $20bn in the US, and $50bn worldwide.

Some 80 per cent of Kendall's revenues, which in 1993 amounted to $816m, are in disposable medical products, from wound care items, used in hospitals, to therapeutic hosiery sold through retail outlets.

About 17 per cent of the company's sales come from outside the US, with local manufacturing and distribution facilities in Europe, the Far East and Latin America.

Tyco, more than half of whose $3.3bn sales come from fire protection systems, derives only $80m of its revenues from medical products at present.

The merger is part of a move by Tyco to "translate our manufacturing expertise in packaging into higher margin products in the disposable medical products market", said Mr Dennis Kozlowski, chairman and chief executive.

The combined business would be grown in the US and internationally, in part through other acquisitions, he added.

Tyco said the transaction would not dilute its earnings per share, partly because it planned to buy back 2.9m of its shares after the deal was completed.

However, Tyco's shares slipped $1⅞ in early trading, to $45⅝. Kendall's share price jumped $3⅝, to $54⅛.

Videotron profits slip to C$19m

By Robert Gibbens in Montreal

Videotron, the Canadian communications group developing cable television franchises in southern England, recorded lower profits for the first nine months of fiscal 1994, mainly due to problems with its Montreal broadcasting unit.

The Canadian cable-TV business continued to grow and was profitable, and the UK cable and telecommunications operations reached 11 per cent of Videotron's total consolidated revenues.

For the first nine months ended May 31, consolidated net profit was C$19m (US$14m) or 12 cents a share, down from C$22m, or 15 cents, a year earlier on revenues of C$487m, up 8.7 per cent.

Videotron said heavier depreciation stemming from expansion of the UK operations also reduced consolidated earnings.

● Alcan Aluminium plans to sell its two North American building products divisions, with annual revenues of US$425m, to Genstar Capital, an industrial group whose subsidiaries include Wolverine Tube, a leading US producer of copper tubing.

The Alcan divisions employ 1,800 in 18 plants and distribution centres, mainly in the US.

They make aluminium, vinyl and steel building products.

Mixed results at US forestal groups

By Laurie Morse in Chicago

US paper and forest products groups continue to report mixed second-quarter results. Boise Cascade yesterday showed a decline in second-quarter losses, to $19.2m, or 86 cents a share, from losses before special charges of $22.1m, or 85 cents, in the same 1993 quarter.

Louisiana-Pacific, meanwhile, reported record second-quarter earnings, at $81.0m or 75 cents a share, up from $65.7m, or 60 cents, in the 1993 second quarter.

Second-quarter sales at Boise Cascade were $1.1bn, up from $974m a year ago.

The company said most of the sales improvement stemmed from recent acquisitions in its office products business, and from rising demand in its building products sector. That sector's earnings also improved because the price of logs, the raw material for building products, moderated during the quarter.

However, operating losses in Boise Cascade's paper segment deepened during the quarter. The company said average prices for its largest-volume grades, uncoated free sheet and newsprint, were down about 6 per cent.

Weak prices, it added, were only partly offset by lower unit manufacturing costs and increased volume.

Sales at Louisiana-Pacific rose to $775m from $597m a year ago.

"Although the quarter started off slowly, as questions about interest rates put some building products buying decisions on hold, business picked up steadily during the quarter," said Mr Harry Merlo, chairman.

"As we enter the second half of the year, numbers for housing starts, building permits and existing home sales are strong," he said.

Mr Merlo said the company's pulp market had also improved dramatically over a year ago, with the prices of some grades rising by as much as 75 per cent.

INTERNATIONAL COMPANIES AND FINANCE

Thai group seeks 7-11 franchise for China

By Victor Mallet in Bangkok

Charoen Pokphand (CP), the Thai multinational that is one of the largest foreign investors in China, said yesterday it was bidding for the right to establish a network of Seven-Eleven convenience stores in China.

CP group has run the Seven-Eleven franchise in Thailand since 1989, and now controls a network of 320 stores. The Seven-Eleven name belongs to Southland of the US, which is in turn owned by Japan's Ito-Yokado.

CP said it was submitting a bid to Southland for the franchises in various zones of China. Bids must be in by the end of September.

CP's likely rivals in the bidding include the Seven-Eleven franchise-holders for Hong Kong and Taiwan, respectively Dairy Farm and the President group. Dairy Farm, the food retailing side of Jardine Matheson, already has a franchise for Guangdong province in southern China, and has set up several Seven-Eleven shops in Shenzen.

Of the new China zones on offer, Shanghai is regarded by retailers as one of the most promising. Southland is also considering introducing the Seven-Eleven name in Indonesia, CP executives say.

Asians are increasingly using modern retail chain stores instead of markets or individual shops. In Thailand alone, CP expects the number of Seven-Eleven outlets to rise from 320 to 400 by the end of this year, to 500 next year, and to 1,000 by 1997. CP also runs Makro cash-and-carry superstores in Thailand in a joint venture with SHV of the Netherlands.

Meanwhile, Dunkin' Donuts (Thailand) said it planned to invest $3m in Vietnam over the next two years. It has just been appointed priority franchisee for the country by Dunkin' Donuts of the US.

● Siam Commercial Bank says it has received approval from the Thai central bank to link up with the CP group to open a joint-venture bank in Hanoi, Vietnam, AP-DJ reports from Bangkok.

Generating an appetite for foreign cash

China's Huaneng group is looking to the NYSE for fresh funds, writes Tony Walker

China's Huaneng group, the country's largest power generating organisation, has emerged as perhaps the most aggressive Chinese company seeking foreign capital abroad, with planned listings in New York of two of its subsidiaries.

Huaneng officials make no secret of their appetite for foreign capital to fulfil ambitious expansion plans to the end of this century. They include adding 15,000 megawatts of capacity to the existing 14,500MW under its control.

In addition, its coal mines will be extended to produce 30m tonnes by the year 2000, and a coal port will be equipped to handle 38m tonnes annually. An ambitious railroad-building programme is also planned.

Mr Cao Leren, the group's senior engineer, describes as a "breakthrough" the prospect of the Huaneng International Power Development Corporation and Shandong Huaneng Power Development Company being among the first direct Chinese listings in New York.

"We need a tremendous amount of money to carry out our plans," Mr Cao says.

The Huaneng official estimates that funding requirements will reach Yn150bn (U$17.4bn) in the six years to the year 2000. Of this total, the company will contribute one-third from its own resources. Another one-third will be raised domestically, much of it in the form of loans from the newly-established State Development Bank.

This leaves a further one-third, or about $6bn, to be raised internationally, either through share issues, bonds or BOT (build-operate-transfer) equity ventures.

The group recently established China's first organisation specifically designed to channel funds into BOT projects. Called the BOT Investment and Development Corporation, its first project is a toll-road in partnership with Beijing municipality.

The Huaneng group is also pursuing an innovative strategy in its New York listings. Under the guidance of CS First Boston, Shandong Huaneng Power Development hopes to raise some $400m through a public offering of 23.4m American depositary shares (ADS).

These will be a new class of shares, known as "N" shares, which will be offered to investors in the US, Europe and Asia. "N" shares are similar in concept to the "B" shares listed on China's fledgling exchanges, and which are denominated in dollars for foreigners (China's yuan is not convertible). Each ADS will represent 50 ordinary "N" shares.

The company, under a new electricity tariff schedule, is aiming for a return of 15 per cent of its fixed net assets after costs and taxes. This is in line with guidelines set by the central government for a reasonable rate of return on equity investments in infrastructure projects in the power sector, under BOT-type schemes.

Shandong Power operates four power stations with total capacity of 1,200MW in Shandong province, south-east of Beijing. Huaneng International Power, 60 per cent-owned by the Huaneng group, runs power stations in coastal areas with about 6,100MW under its control.

The China Huaneng Group grew out of a decision in 1985 to establish a conservation fund to convert oil-fired power stations to coal, and to build thermal stations. In 1988, Huaneng became a group and is now one of China's 10 biggest companies.

At the end of 1993, assets totalled Yn46bn against liabilities of Yn39.3bn. Borrowings amounted to Yn35bn, of which about one-third was hard currency-denominated. Net profit for the year was Yn2.2bn, double that of 1992.

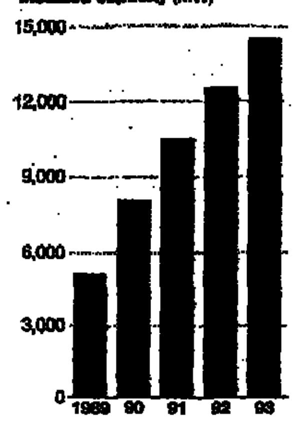
In all, the group comprises 11 corporations and some 200 associated companies, concentrated in the power sector. However, it is also involved in real estate, trading and finance. Two of its power-operating companies are listed on Chinese exchanges, one in Shanghai and the other in Shenzen.

Mr Cao, however, believes that foreign listings are "much more meaningful" for a company of Huaneng's size and diversity than a listing in Hong Kong, where nine Chinese entities have been listed, or on one of the mainland exchanges. This, he says, is because the pool of capital is so much larger.

Mr Cao seems confident – in spite of nervousness in the markets and indications that investors are having second thoughts about opportunities in China – that Huaneng will be well received. The two companies seeking listings, he observes, are both engaged in power generation in a country where there are "serious shortages of electricity".

Huaneng power

Installed capacity (MW)



Sources of capital (%)

Foreign	28.38
Domestic	28.45
Government grant	31.09
Bank loans	9.88
Others	1.72

Source: Company report

Malaysian mobile phone group surges to M$105m

By Christine Hill in Kuala Lumpur

Technology Resources Industries (TRI), the holding company for Cellular Communications Network (Malaysia), Malaysia's largest mobile phone carrier, has announced 95.6 per cent year-on-year growth in pre-tax profits, to M$105.97m (US$40.9m), for the first half of 1994.

The results were well within market expectations of between M$95m and M$120m.

Group turnover grew 49 per cent to M$367.1m compared with a year ago, and after-tax profits were up 120 per cent to M$69.9m. The stock does not pay a dividend.

The company recorded an extraordinary gain of M$126.1m on the sale of its non-telecommunications subsidiaries. Cellular Communications (Celcom) contributed the bulk of profits, supplemented by smaller contributions from the Malaysian Helicopter Services (MHS) subsidiary.

Analysts were pleased with the results, but expressed concern about the company's disclosure policies. Earlier this year, UBS (East Asia), a member of the Union Bank of Switzerland group of companies, had to postpone an international offering of US$400m in TRI euroconvertible bonds, after European fund managers objected to discrepancies in profit forecasts.

In the accompanying prospectus, TRI had forecast M$128m in pre-tax profits for the full year 1994. However, many securities houses were anticipating a figure of more than M$300m, based on analysts' meetings with the company.

Yesterday, the company told analysts it would not raise its full-year profit forecast, citing growing depreciation expenses. Many analysts, however, are still forecasting a full-year figure close to M$200m.

TRI's chairman and majority shareholder is Mr Datuk Tajudin Ramli, a Malay businessman and protégé of the influential former finance minister Mr Tun Daim Zainuddin. TRI and MHS are near completion of a demerger exercise, after which MHS will purchase a 32 per cent stake in Malaysian Airlines.

NEWS DIGEST

Australian results poll

Australian corporate profits are expected to have risen by about 17 per cent in the year to June 30, down from the previous year's 29 per cent profit surge, according to a survey by Barclays Australia, Reuter reports from Sydney.

Earnings by industrial companies for 1993-94 will sharply outperform those by resource companies, the Barclays Australia Investment Services (Barcep) consensus earnings forecast said.

Industrial earnings are expected to rise 21 per cent, while resource earnings are seen down 12 per cent, according to the survey, compiled of projections from 28 brokers. Many Australian companies will soon begin reporting annual results.

Barclays research director Mr Martin Archer attributed the earnings slowdown to a consolidation among many companies following a sharp turnround in the economy.

Metroplex raises resort stake to 85%

Metroplex, the Malaysian property, construction and hotel group, is to pay US$9.1m for an additional 55 per cent stake in Subic Bay Resort (Hong Kong), writes Christine Hill. The deal raises Metroplex's stake in the resort to 85 per cent.

The holding is being bought from subsidiaries of Genting, the Malaysian investment holding company with interests in resorts, gaming, plantations and property.

Genting recently voiced its concern about the Philippine government's plan to develop Subic Bay, the former US naval base, and its intention to restrict access to casinos to foreign tourists.

US Treasuries sharply higher on solid demand

By Patrick Harverson in New York and Conner Middelmann and Graham Bowley in London

Retail demand, short-covering by dealers, a dollar rally, news of higher weekly unemployment claims and rumours of a US invasion of Haiti all combined to push US Treasury prices sharply higher yesterday morning.

By midday, the benchmark 30-year government bond was up 1 at 84 18/32, yielding 7.567 per cent. The two-year note was also firmer, up ¼ at 99¾, to yield 6.050 per cent.

Prices firmed from the start, with traders reporting solid demand from retail accounts, and the early gains forced some dealers to cover their short positions.

Sentiment was helped by the announcement that weekly state unemployment insurance claims rose by 19,000, a much bigger increase than forecast.

Also, a 0.6 per cent rise in June retail sales was slightly smaller than expected, and encouraged further buying, as did another rally in the dollar

The final positive factor was a rumour that the US had invaded Haiti. Political unrest and the involvement of the US military in conflict abroad usually buoys Treasuries, as investors rush to buy more secure investments. Although yesterday's rumour proved false, it was enough to provide investors with another reason to buy government bonds.

■ European government bonds rallied strongly, boosted by the strength in US Treasuries, as the more positive mood of recent days continued.

However, the gains came in thin, futures-driven trade, with the French market closed, and analysts were sceptical about how long the rally will last.

"Confidence has returned with a better outlook for interest rates and inflation and some institutional investors have come back to the markets relatively cash-rich. But it also has the elements of a classic bear squeeze," said Mr Sanjay Joshi, chief economist at Daiwa Europe.

■ German bunds rose strongly in afternoon trading, on the back of US Treasuries and supportive comments from Mr Hans Tietmeyer, president of the Bundesbank.

GOVERNMENT BONDS

Although the dollar regained some ground against the D-Mark, bunds continued to benefit from the German currency's safe-haven status.

Mr Tietmeyer said the decoupling of international capital markets based on interest rate developments would not be easy, "but when the fundamentals are right and a policy of stability is clear then it is by no means ruled out".

Mr Michael Buerk of Citibank said: "These remarks are a sign that a key German official is hopeful, if not over-optimistic, that some decoupling might take place."

■ UK gilts rallied in late trading in line with bunds, and after the Bank of England announced that three tranches of existing government bonds had been exhausted.

Today, the Bank is expected to announce details of its next auction, which analysts expect to be of seven to 10 years.

■ Contrary to recent market recoveries when high-yielding bonds have outperformed the core markets, Italian and Spanish bonds tracked Germany at more or less stable yield spreads while the Swedish market weakened further.

"This is a sign that the long-term divergence trend remains intact," said Mr Kirit Shah of First Chicago.

The yield on the Swedish nine-year benchmark bond breached the psychologically important 11 per cent level to close some 18 basis points higher at 11.05 per cent. The 10-year yield spread over Germany widened by nearly 30 basis points to 425 basis points.

The market was hit by a triple whammy: a rise in the year-on-year inflation rate, an inconclusive special meeting of the parliamentary finance committee and a lukewarm reception for the government's latest T-bill auction.

Although Sweden's month-on-month inflation rate was unchanged, the year-on-year rate rose to 2.6 per cent in June from 2.3 per cent in May.

Bonds also derived little support from the finance committee meeting, called in response to the recent falls in Sweden's financial markets.

Meanwhile, at its auction of three-, six- and 12-month bills the National Debt Office managed to sell only SKr10.54bn of the SKr12.5bn offered.

■ Italian bonds tracked the other markets and closed more than a point higher, but failed to deliver the performance some had hoped for following Wednesday's announcement of the government's fiscal plans. The budget targets for 1994 and 1995, and plans to offset this year's deficit by L5,000bn, had been discounted in the market.

"Details were conspicuous by their absence," said Mr Ken Wattret, international economist at Midland Global Markets.

"The rally in the Italian market will be on hold until the details of the government's three-year fiscal plan are published next week," he said. The details are expected to be announced next Wednesday or Thursday.

Nikkei 300 futures fail to find favour

By Emiko Terazono in Tokyo

Dwindling trading volume in futures contracts on the capitalisation-weighted Nikkei 300 index is causing concern among Japanese financial officials.

The Nikkei 300 contract, listed on the Osaka Stock Exchange last February eventually to replace the price-weighted Nikkei 225 index, has failed to attract investor interest. OSE officials are now considering measures to revitalise trading, including a cut in the minimum trading unit.

Daily trading volume of the Nikkei 300 futures has been below 10,000 contracts since July 5, when volume hit the lowest level on record at 6,891 contracts. In value terms, daily turnover averaged around Y70bn last month, almost 94 per cent lower than that of the Nikkei 225 futures, also traded on the OSE.

The Nikkei 300 was introduced after fierce debate over the negative impact of the Nikkei 225 futures on the main cash market. Some financial authorities claimed that the price-weighted index was easily manipulated, and arbitrage trading between the futures and cash markets was responsible for the volatility in the underlying cash market.

In spite of the new contract's launch, most traders and investors have stuck to the more familiar Nikkei 225 futures, and the Nikkei 300 index itself has yet to become a stock market benchmark.

Mr Sadakane Doi, chairman of the Japan Securities Dealers' Association, said the securities industry would strive to interest investors in the Nikkei 300 futures, adding that many securities industry executives wanted to nurture the index.

Meanwhile, Mr Goro Tatsumi, the association's Osaka representative, called for support from the finance ministry to promote the Nikkei 300 index futures.

Earlier this year, the Singapore International Monetary Exchange was given the licensing rights to trade futures and options contracts based on the Nikkei 300 index.

Canadian dollar sector revived by deals aimed at retail buyers

By Tracy Corrigan

After several days dominated by large offerings aimed at institutional investors, the pattern shifted yesterday, as a spate of deals targeted at the retail investor emerged in the Canadian dollar sector.

There has been a revival of interest in the sector, due largely to a heavy schedule of nearly C$2bn-worth of redemptions of outstanding bonds – including a C$650m Alberta deal – next month.

Many Benelux-based investors are looking for Canadian dollar bonds in which to reinvest following the redemptions, particularly since Canadian dollar yields are now higher than those for Belgian and Luxembourg franc bonds.

Until yesterday's rush of C$375m-worth of new issues, there had been little activity for about a month, but the forthcoming redemptions coupled with a strengthening of the Canadian dollar encouraged borrowers to return to the market, dealers said.

INTERNATIONAL BONDS

Canada's Federal Business Development Bank and Germany's L-Bank both launched three-year deals, arranged by Barclays de Zoete Wedd and Goldman Sachs respectively, while Norddeutsche Landesbank launched a five-year offering via Hambros Bank.

At the longer end, Société Quebecoise D'Assainissement des Eaux, a provincial crown corporation, launched a 10-year deal, which would usually be rather long-dated for retail investors. However, the 10 per cent coupon is attractive to these buyers, who have been looking for this type of coupon for some time.

Dealers said that institutional investors are not looking at the market, and anyway would typically prefer larger, more liquid offerings.

In the sterling floating-rate note market, a unit of S.G. Warburg added £75m to an outstanding £150m issue. the offering pays a discounted margin of 28 basis points over Libor.

● Pohang Iron & Steel filed with the US Securities and Exchange Commission a shelf offering of up to $700m in debt securities and common stock, Reuter reports.

The Korean steel producer said the proceeds from the sale would be used for general corporate purposes including capital expenditures, debt refinancing and overseas investments.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book runner
YEN							
Ford Credit Europe(d)	10bn	(a)	100.12R	Nov.1997	0.20R	-	M.Lynch/Mitsubishi Fin.
Bayerische Hypobank(b)	5bn	4.00#	100.00	Mar.1999	undiscl.	-	Daiwa Bank Capl.Mgmt.
STERLING							
SGW Finance(c)‡	75	(c1)	99.875R	Mar.1998	0.175R	-	SG Warburg Securities
CANADIAN DOLLARS							
L-Bank(d)	125	8.625	99.89R	Dec.1997	0.1875R	+20 (e)	Goldman Sachs Intl.
SQAE	100	10.00	99.55R	Aug.2004	0.35R	+83 (8½%-04)	Wood Gundy
Norddeutsche Landesbank(d)	75	9.00	99.975R	Dec.1999	0.275R	+16 (7¾%-99)	Hambros Bank
Federal Business Dev. Bank	75	8.50	99.844R	Aug.1997	0.1875R	+6 (e)	Barclays de Zoete Wedd
AUSTRALIAN DOLLARS							
Queensland Treasury Corp.	100	4.50#	90.563	Jul.1997	1.375	-	Nomura International
SWISS FRANCS							
Yokogawa Bridge(f)★★Φ	100	0.50	100.00	Aug.1998	-	-	Credit Suisse
LUXEMBOURG FRANCS							
Commerzbank(g)	2.5bn	7.75	101.80	Apr.2003	2.00	-	BGL

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. ★★Private placement. ‡Floating rate note. #Semi-annual coupon. R: fixed re-offer price; fees are shown at the re-offer level. a) 3.40% to 10/11/95 then 3.80% to 10/11/96 and 4.30% thereafter. b) Short 1st & 2nd coupon. c) Fungible with £150m. Plus 35 days accrued. Puttable on Mar.96 at par. c1) 3-mth Libor +20bp. d) Short 1st coupon. e) Over interpolated yield. f) Fixing: 19/7/94. g) Long 1st coupon.

Record first half for OM

By Hugh Carnegy in Stockholm

OM Group, the Swedish company which runs derivatives exchanges in Stockholm and London, yesterday reported a surge in pre-tax profits in the first half to SKr158m ($21m) from SKr100m in the same period last year as turnover rose to record levels.

OM has been riding the recent heavy growth in derivative trading through its OM Exchange in the Swedish capital and the OMLX exchange in London.

Average daily turnover rose in the first half to 133,891 contracts – a record for a six-month period – from the daily average of 92,553 contracts for all 1993 and 83,437 for the first half of last year. Operating revenues rose to SKr289.5m from SKr190.6m and operating profit more than doubled to SKr128m from SKr61m.

In May, OM decided to sell its financing businesses and pull out of a plan to participate in founding a new Swedish bank. The sale of OM Finans has yet to take place, but OM included costs of SKr8.4m in its first-half expenses incurred in the aborted bank project.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		9.000	09/04	96.2000	+0.250	9.59	9.59	9.61
Belgium		7.250	04/04	96.3500	+0.650	7.79	8.23	8.11
Canada *		6.500	06/04	63.8000	+0.750	9.01	9.12	9.12
Denmark		7.000	12/04	91.9200	+0.670	8.17	8.37	8.36
France	BTAN	8.000	05/98	104.6200	-	6.90	6.90	6.97
	OAT	5.500	04/04	87.3300	-	7.38	7.59	7.63
Germany Treuhand		6.750	05/04	99.0600	-0.330	6.88	7.06	7.19
Italy		8.500	01/04	80.4800	+0.710	10.06†	10.58	10.58
Japan	No 119	4.800	06/99	104.8980	-0.310	3.63	3.60	3.53
	No 164	4.100	12/03	98.0000	+0.130	4.40	4.35	4.19
Netherlands		5.750	01/04	92.8200	+0.840	6.79	7.10	7.23
Spain		8.000	05/04	86.0500	+1.350	10.31	11.04	10.50
UK Gilts		6.000	08/99	92-22	+16/32	7.78	8.28	8.24
		6.750	11/04	90-23	+27/32	8.08	8.57	8.63
		9.000	10/08	106-22	+30/32	8.19	8.59	8.65
US Treasury *		7.250	05/04	99-27	+33/32	7.27	7.28	7.10
		6.250	08/23	84-18	+38/32	7.57	7.59	7.40
ECU (French Govt)		6.000	04/04	87.6000	+0.030	7.86	8.06	8.12

London closing, *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

US INTEREST RATES

Lunchtime		Treasury Bills and Bond Yields			
		One month	4.30	Two year	6.08
Prime rate	7¼	Two month	4.37	Three year	6.43
Broker loan rate	5½	Three month	4.45	Five year	6.91
Fed.funds	4¼	Six month	4.91	10-year	7.31
Fed.funds at intervention	-	One year	5.39	30-year	7.61

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF) Jul 13

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	116.74	116.26	+0.06	116.86	116.12	125,208	127,911
Dec	115.96	115.48	+0.06	116.00	115.78	596	13,023
Mar	115.24	114.76	+0.06	115.24	114.80	487	1,747

■ LONG TERM FRENCH BOND OPTIONS (MATIF) Jul 13

Strike Price	Calls Aug	Calls Sep	Calls Dec	Puts Aug	Puts Sep	Puts Dec
114	-	-	-	0.27	0.86	1.85
115	1.91	2.45	-	0.50	1.20	2.20
116	-	1.88	-	0.81	1.55	2.60
117	0.52	1.33	-	1.25	1.89	-
118	0.28	0.82	1.20	-	2.44	-

Est. vol. total, Calls 20,767 Puts 59,802. Previous day's open int., Calls 344,117 Puts 395,157.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	93.20	94.16	+0.90	94.48	93.12	141820	159726
Dec	92.57	93.45	+0.84	93.33	92.57	148	8675

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	Calls Aug	Calls Sep	Calls Oct	Calls Dec	Puts Aug	Puts Sep	Puts Oct	Puts Dec
9400	0.59	1.13	1.07	1.48	0.41	0.95	1.62	2.03
9450	0.33	0.87	0.94	1.20	0.65	1.19	1.99	2.25
9500	0.16	0.66	0.77	0.95	0.98	1.47	2.32	2.50

Est. vol. total, Calls 14008 Puts 11298. Previous day's open int., Calls 279888 Puts 266140

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep		98.96	+0.61			0	76

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	104.76	106.07	+1.34	106.50	104.39	45120	59524
Dec		104.87	+1.34			0	110

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	Calls Sep	Calls Dec	Puts Sep	Puts Dec
10600	1.78	2.64	1.71	3.77
10650	1.52	2.43	1.95	4.08
10700	1.28	2.24	2.21	4.37

Est. vol. total, Calls 844 Puts 998. Previous day's open int., Calls 30956 Puts 26583

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	89.65	91.09	+1.48	91.10	89.61	53,651	104,561
Dec	-	90.60	-	-	-	410	314

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	103-09	104-00	+0-24	104-13	102-30	85450	113585
Dec		103-05	+0-25			0	1239

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Sep	Calls Dec	Puts Sep	Puts Dec
104	1-38	2-47	1-38	3-37
105	1-07	2-20	2-07	4-10
106	0-47	1-61	2-47	4-51

Est. vol. total, Calls 4753 Puts 2779. Previous day's open int., Calls 66120 Puts 49918

Ecu

■ ECU BOND FUTURES (MATIF) Jul 13

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	84.30	84.24	+0.44	84.40	83.80	1,686	6,398
Dec	-	83.80	+0.44	-	-	-	-

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Sep	100-31	101-16	+0-19	101-21	100-25	301,621	389,422
Dec	100-04	100-23	+0-16	100-00	100-00	1,165	58,510
Mar	99-12	100-01	-	99-10	99-10	9	4,121

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Sep	109.04			109.35	109.04	2995	0
Dec	108.15			108.29	108.15	820	0

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Thur Jul 14	Day's change %	Wed Jul 13	Accrued interest	xd adj. ytd	
1 Up to 5 years (24)	122.61	+0.22	122.34	2.13	5.82	
2 5-15 years (22)	143.49	+0.60	142.64	2.38	6.71	
3 Over 15 years (9)	161.51	+0.72	160.36	2.32	6.57	
4 Irredeemables (6)	183.90	+0.74	182.54	1.76	7.36	
5 All stocks (61)	140.58	+0.50	139.89	2.31	6.43	
Index-linked						
6 Up to 5 years (2)	187.09	+0.24	186.64	1.43	2.53	
7 Over 5 years (11)	172.24	+0.15	171.98	0.66	2.94	
8 All stocks (13)	172.89	+0.16	172.62	0.73	2.86	
Debentures and Loans						
9 Debs & Loans (76)	132.30	+0.68	131.41	2.57	5.84	

	Low coupon yield Jul 14	Jul 13	Yr. ago	Medium coupon yield Jul 14	Jul 13	Yr. ago	High coupon yield Jul 14	Jul 13	Yr. ago
5 yrs	7.89	7.98	6.72	8.09	8.18	6.87	8.16	8.26	7.08
15 yrs	8.12	8.20	7.74	8.25	8.33	7.84	8.52	8.61	8.09
20 yrs	8.10	8.16	7.91	8.25	8.33	7.97	8.37	8.45	8.13
Irred.†	8.20	8.26	8.07						

	Inflation 5% Jul 14	Jul 13	Yr. ago	Inflation 10% Jul 14	Jul 13	Yr. ago
Up to 5 yrs	3.59	3.68	2.78	2.47	2.56	1.95
Over 5 yrs	3.85	3.86	3.44	3.65	3.68	3.25

	5 year yield Jul 14	Jul 13	Yr. ago	15 year yield Jul 14	Jul 13	Yr. ago	25 year yield Jul 14	Jul 13	Yr. ago
Debs & Loans	9.30	9.39	8.38	9.22	9.30	8.83	9.16	9.24	8.81

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	July 14	July 13	July 12	July 11	July 8	Yr ago	High*	Low*
Govt. Secs. (UK)	94.11	93.75	93.42	92.86	92.14	98.45	107.04	90.99
Fixed Interest	112.07	111.83	111.00	109.66	109.62	117.01	133.87	107.33

* for 1994. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974

GILT EDGED ACTIVITY INDICES

	July 13	July 12	July 11	July 8	July 7
Gilt Edged bargains	143.2	97.6	79.6	80.2	71.8
5-day average	94.4	83.4	81.7	80.4	82.1

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:10 pm on July 14

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	90¾	91	+¼	7.59
Alberta Province 7⅝ 98	1000	101	101⅜	+⅛	7.33
Austria 8½ 00	400	104¾	105	+½	7.41
[illegible]					

	Issued	Bid	Offer	Chg.	Yield
United Kingdom 7¼ 97	5500	102¾	103	+⅛	6.16
Volkswagen Intl Fin 7 03	1000	98	98½	+¼	7.15
World Bank 0 15	2000	23	23⅜	+1⅛	7.10
World Bank 5¾ 03	3000	92¼	92½	+⅛	7.01
[illegible]					

	Issued	Bid	Offer	Chg.	Yield
Abbey Natl Treasury 8 03 £	1000	94¼	94½	+½	8.97
Alliance Leics 11⅛ 97 £	100	108¾	109	+⅛	7.82
British Land 8⅞ 23 £	150	90¾	91¼	+½	10.08
Denmark 6¼ 98 £	800	95¾	96	+¼	8.00
[illegible]					

[illegible]

UK GILTS PRICES

Notes	Yield Int	Yield Red	Price £	+ or –	1994 High	1994 Low
Shorts (Lives up to Five Years)						
[illegible]						

[illegible]

COMPANY NEWS: UK

Restructuring charges of £111.6m but City pleased with result

Rank declines to £16.3m

By Michael Skapinker, Leisure Industries Correspondent

The Rank Organisation yesterday reported an interim pre-tax profit down from £96.1m to £16.3m after restructuring charges totalling £111.6m. But this was well above City expectations and the shares closed 13p higher at 404½p yesterday.

Rank, whose interests include Butlin's holidays, casinos and the Hard Rock Cafés, said that after three difficult years there was an improvement in underlying trading in the first half.

Before charges, profits were up 41 per cent to £127.9m. The company had previously adopted a more cautious view of the recovery.

Pre-tax profit for the 28 weeks to May 14 was after a charge of £49.6m, relating mostly to the closure of the video distribution business, and after the group's £62m share of Rank Xerox's restructuring costs.

Profits from Rank Xerox, before restructuring costs, were up 38 per cent to £94.6m.

An improvement in video duplication lifted profits in the film and television division from £13.3m to £24.5m. The group said it expected a strong second half from the video duplication of the film Jurassic Park.

The Pinewood film studios also enjoyed increased operating profits. Odeon cinemas saw admissions rise 4 per cent and prices 1 per cent. The group expects to benefit in the second half from the cinema success of the film Four Weddings and a Funeral.

The holiday division's profits rose from £5.6m to £7m. The number of holidays sold was up 12 per cent in the first half. Bookings for the summer, however, are only slightly up in volume and 3 per cent by value. Mr Michael Gifford, chief executive, said the group's older holiday customers were adversely affected by low interest rates.

The recreation division, which includes bingo clubs and casinos, saw operating profits increase from £32.7m to £34.2m. Bingo profits were level with last time. Casino admissions were up 3 per cent and spending per head was 5 per cent higher.

The leisure division, which includes Hard Rock Cafés and holiday resorts, saw operating profits fall from £22.3m to £20.4m.

Group turnover was £996.4m (£972.4m), including discontinued operations of £26.1m (£75.5m).

The interim dividend is 4.25p. Last year, the group paid a full year's dividend at the interim stage, with an enhanced share alternative. It said the equivalent pay-out at the halfway stage last time would have been 4.03p.

Losses per share were 3.4p (earnings 5.4p). After adjustment for Rank Xerox restructuring costs, earnings were 7.8p (4.9p).

See Lex

Talks over Wembley refinancing

By Tim Burt

A syndicate of 22 banks owed £152m by Wembley, yesterday said that they had begun discussing plans to refinance the debt-burdened stadium and greyhound tracks operator.

The banks, led by Barclays and Schroders, are expected to scrutinise proposals made to the Wembley board by three investor groups.

The groups are: Apollo Advisers, a US investment group led by Mr Leon Black; Allied Entertainments, the promotions business controlled by Mr Harvey Goldsmith; and Mr Luke Johnson and Mr Hugh Osmond, who are City entrepreneurs.

All three proposals envisage an injection of new equity while retaining the current management.

Although the banks are not expected to decide on a prefered package for some weeks, the Wembley board is said to have indicated that it favours the proposal drawn up by Mr Johnson and Mr Osmond.

Wembley has been made aware of possible conflicts with concert organisers if Mr Goldsmith's promotions company is chosen to refinance the group.

Concern has also been raised over a possible shareholder backlash if the stadium – widely regarded as the home of English football – is seen to be refinanced by US investors.

Officials acting for Mr Johnson and Mr Osmond, whose previous deals included the successful reverse takeover of PizzaExpress, have already begun due diligence at Wembley.

Their plans are thought to centre on a debt-for-equity swap and rescue rights issue.

Beazer pays £31m for Mowlem Homes

By Simon Davies

Beazer Homes, the recently-floated former Hanson subsidiary, has bought the housebuilding arm of John Mowlem, the construction and airports group, for £31m.

Mr Dennis Webb, Beazer's chief executive, said the acquisition "fits in well with our strategy to increase our volumes and market share, particularly in the south-east".

Mowlem announced at the time of its £63m rights issue last March that it planned to focus on its contracting and scaffolding business, and would sell John Mowlem Homes, along with part of its stake in London City Airport.

John Mowlem Homes is a specialist housebuilder with a substantial middle-market presence in the south-east and south-west of England, where Beazer is comparatively weak.

Mowlem also operates in Northern Ireland, but Mr Webb said Beazer was currently negotiating the sale of the Northern Ireland business.

The acquisition was priced at a marginal premium to John Mowlem's £30.2m book value for its housebuilding arm, but the subsidiary also has £1.8m cash.

After flotation Beazer held cash resources of £74.5m, so it is in a position to build up further John Mowlem's land bank, in addition to funding its intention of expansion into Wales and north-western England.

John Mowlem had a land bank of 2,250 plots at June 30 and incurred a pre-tax loss of £1.4m in the year to December.

The sale was through managed auction and it is understood there were four bidders at the closing stage. It is Beazer's second large acquisition in the past year. Last November it acquired the Walker Group's housebuilding interests for £28.2m.

Bob Payton: founded the Chicago Pizza Pie Factory and other US-style restaurants

US food pioneer dies in crash

By Simon Davies

Mr Bob Payton, the 50-year-old founder of many of Britain's best-known US-style restaurants, died in a car crash on Wednesday night.

Mr Payton came to the UK from Chicago in 1973 and set up the Chicago Rib Shack, Chicago Pizza Pie Factory and Henry J Beans food chains.

He revelled in the fact that he had initially faced cynicism from many British financiers over his plans to serve American style food to the British.

However, he recently won over the City when My Kinda Town, the company comprising his restaurant chains, was floated in May. The company currently has a market capitalisation of £32m.

The company was launched on the stock market as a means of buying out the group's main backers and Mr Payton himself raised about £4.5m from share sales.

More of his recent attention had been focused on his 16th century Leicestershire mansion, Stapleford Park, which had also been launched as a country hotel.

The restaurant business expanded at an extraordinary rate, and Mr Payton was never short of new ideas, with recent additions to the stable coming in the form of Chicago Meatpackers, Tacos and Salsa!

His ambitions did not stop with the UK. By the time of the flotation, his chain covered 29 restaurants and bars in 17 cities, ranging from Belfast to Beirut.

Mr Payton retired from the board of My Kinda Town at the time of the flotation, leaving a company which made about £2m last year.

Slough Estates in £55m land deal with L&G

By Simon Davies

Slough Estates, the UK's largest industrial property company, is to pay £55m for Legal and General's 32 acre portion of the Winnersh Triangle business estate near Reading, Berkshire, in its largest property purchase in more than five years.

The acquisition will give Slough control of a 75 acre business park, with a total of 1m sq ft of built office and warehouse space.

The L&G site was developed in the early 1980s and has 556,000 sq ft of space, with a current rent roll of £4.37m from tenants including Mars, Hewlett Packard and ICL.

The purchase price puts the property on a yield of 7.96 per cent, and Mr Derek Wilson, group managing director, said the property was let on long leases and was "not significantly over-rented".

Mr Wilson said there would be management benefits from taking on the entire site. L&G is being paid £12.5m in cash, with the remainder being paid through the issue of 5.36m new Slough shares.

Slough has concentrated primarily on developing sites in its existing portfolio, rather than buying new properties, and it currently has 120,000 sq ft of new property under construction.

Within the Winnersh site, there is a further 12.5 acres where more development is planned.

Jones Stroud shares fall on 23% decline

Jones Stroud (Holdings) reported pre-tax profits down 23 per cent at £5.01m in the year to March 31, against £6.51m. The Nottingham-based textiles company blamed difficult trading and closure costs.

The shares lost 33p to close at 270p, a new low for the year.

Turnover edged up from £70.9m to £71.7m. The pre-tax figure was struck after £315,000 costs of closing the US division of Jones Stroud (Australia).

Mr Philip Jones, chairman, said that some subsidiaries were reporting improved results because of reduced costs but the market for stretch yarns "has yet to reach a satisfactory level". This would have an adverse effect on interim results.

He added that it was too early to forecast results for the year, but "we will be very disappointed if they do not exceed those of last year".

Earnings per share came out at 19.12p (24.85p). The final dividend is being held at 5.5p for an increased total of 9p (8.8p).

Aegis increases Spanish stake

Aegis Group subsidiary Carat Group, is paying Pta750m (£3.66m) cash to acquire a further 30 per cent in its Spanish offshoot, Publintegral from Propiedades y Filiales.

At present, the group's Spanish companies are being reorganised and the Spanish holding company, Carat Espana, is merging into Publintegral.

Magnum £1.23m in the red

By Paul Taylor

Magnum Power, which designs built-in uninterruptible power supply units (Bi-ups) and is planning a USM flotation through a placing with institutional investors, reported a pre-tax loss of £1.23m for the year to May 31, on turnover of £59,000.

The prospectus for the flotation, which was issued yesterday, also shows that the company lost £155,000 in the year to May 31 1992, which the following year rose to £482,000 on turnover of £10,000 as the company developed its technology.

However, Magnum's directors express their confidence in the prospectus that there is "potentially a large market for Bi-ups, which is currently served by the manufacturers of external uninterruptible power supply devices."

Bi-ups can be built into electronic equipment, such as personal computers, to protect against the loss of valuable data and equipment damage if the primary power supply fails.

Magnum was founded in 1990 by Mr Vincent Lavin, chief executive, who claims to have invented Bi-ups the previous year, and Mr Ian Irvin, finance director.

The flotation is sponsored by Henry Cooke Corporate Finance.

AB Foods gets approval for reorganisation

By Andrew Jack

The High Court has given approval for the proposed reorganisation of Associated British Foods, the milling, baking and food products group, in spite of concerns raised by the Charity Commission.

ABF said yesterday that courts had ratified the decision of the trustees of the Garfield Weston Foundation to approve the restructuring, which is designed to improve tax planning of the Weston family trusts which control the company.

The Charity Commission, which had raised initial concerns about the proposals, was not party to the court hearing, which was held in private. It said yesterday that it noted the decision. A second court hearing to sanction the ABF scheme of arrangement will take place on July 27.

The company said its plans would go ahead as proposed, with dealings in shares of Associated British Foods to commence on August 1, ABF preference shares repaid on August 5, and interim dividend of 8.5p on September 1, and a special dividend of 10p per share on October 14.

Asda buys site from Tiphook and Storey

Tiphook, the trailer leasing company, and Thos Storey (Engineers) have sold the Tiviot Works site in Stockport, Cheshire, to Asda Stores which plans to develop it as a retail scheme.

The contract is conditional on the necessary planning consents being granted and completion of the deal is not expected until next year. Tiphook's share of the net consideration will be about £5.2m.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Barbour Index	fin	5.8	Oct 3	5.45	8.5	8
Druck §	fin	7.1	Oct 3	6.6	10.8	10
Excalibur	fin	0.4	Nov 4	0.3	0.65	0.5
GUS	fin	9	Nov 25	7.5625*	13	11
Hampson Inds	fin	1.5	Oct 3	1.2	2	1.6
Helton Holdings	fin	1.35‡†	-	1.35	2	2
Jones Stroud	fin	5.5	Oct 15	5.5	9	8.8
Kershaw (A)	int	9.5	Sept 19	9	-	27
Peel Holdings	fin	3.2	Oct 5	3	4.5	4
Prism Leisure	fin	3	Sept 8	2.37	4.18	3.27
Rank Org	int	4.25	Sept 19	12.4☆	-	12.4☆
Stanley Leisure	fin	3.5†	Sept 12	2.8	5.25	4.32

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. *Adjusted for scrip issue. ☆ Adjusted for sub-division. ‡Irish pence.

Kitty Little pays FFr75m for L'Amy

By Tim Burt

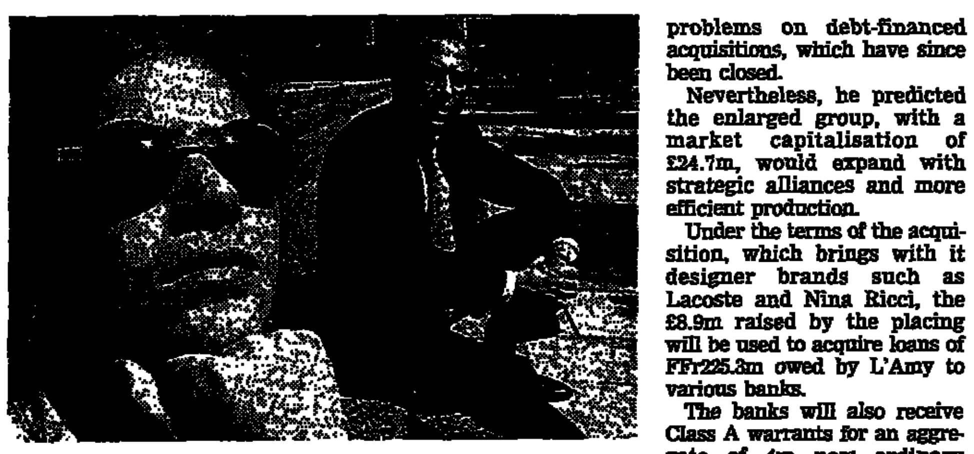
Kitty Little, the USM-quoted consumer goods manufacturer, is acquiring Groupe L'Amy, France's largest maker and distributor of sunglasses and spectacle frames, for FFr75.2m (£8.9m).

The cash acquisition is funded by a placing of 29.8m new ordinary shares at 30p. The company is also raising £9.5m through a placing and 3-for-2 open offer of 31.6m shares at 30p for working capital.

Kitty Little's shares were suspended at 41p on April 11.

Mr Warren Kanders, chief executive, said the company also planned to join the main market and change its name to Eyecare Products.

The deal is expected to give Kitty Little a larger share of an eyeware market worth £5.9bn in western Europe and £8.2bn in the US.



Colin Beere

Warren Kanders,right: company also plans to join main market

Under a lengthy financial reconstruction L'Amy made provisions of FFr105m last year to cover the cost of overhauling its core business. Before provisions, operating profits for the 1993 year were FFr4m (FFr14m losses) on sales of FFr568m (FFr636m).

Mr Martin Franklin, chairman of Kitty Little, blamed the problems on debt-financed acquisitions, which have since been closed.

Nevertheless, he predicted the enlarged group, with a market capitalisation of £24.7m, would expand with strategic alliances and more efficient production.

Under the terms of the acquisition, which brings with it designer brands such as Lacoste and Nina Ricci, the £8.9m raised by the placing will be used to acquire loans of FFr225.3m owed by L'Amy to various banks.

The banks will also receive Class A warrants for an aggregate of 4m new ordinary shares, exercisable at 100p per share. Another tranche of warrants, also exercisable at 100p, will be issued to banks providing on-going medium-term facilities of FFr16.3m.

Dealings are expected to begin on August 9.

Export growth leads the rise in orders as sales to Japan double

Druck gains 14% to £5.36m

By Paul Taylor

Druck Holdings, the Leicester-based manufacturer of electronic pressure measuring and control devices, yesterday reported a 14 per cent increase in pre-tax profits to £5.36m for the year to March 31, up from £4.69m the previous year.

Turnover grew by 10.7 per cent to £30.9m (£27.9m) with exports accounting for about three-quarters of sales.

Earnings per share advanced by 12 per cent to 53.7p (48.1p) and the board is recommending a final dividend of 7.1p (6.6p) making a total of 10.8p (10p) for the year.

Mr John Salmon, chairman and chief executive of the USM-quoted group, said Druck had again "strengthened its competitive position in the measurement and control of pressure throughout the world by the continued development of new products and the establishment of new markets."

Operating profits increased by 11 per cent to £5.37m (£4.82m) and the operating margin edged up to 17.4 per cent (17.3 per cent).

Druck, the main operating company, increased its contribution to group profits by 30 per cent on turnover which grew by 14 per cent.

Orders increased by 13 per cent with export orders growing by 16 per cent to £24m. The main contributions to the increase in orders were from Japan, where exports more than doubled, and to the rest of the world where orders grew by 29 per cent.

The group spent £1.8m on research and development during the year and ended March with net cash of £1.7m having used its strong positive cash flow of £2m to eliminate gearing.

Barbour Index shares fall 16p on profit dip

Shares in Barbour Index, the Windsor-based specialist information services group, fell by 16p to 198p after it announced a 15 per cent fall in annual pre-tax profits from £3.42m to £2.91m.

The directors had warned in January that its results for the 12 months to end-April would "be somewhat below those of last year".

Sales for the period decreased by 4 per cent to £11.5m compared with £12m and earnings per share were 16 per cent down from 13.8p to 11.6p.

Mr Brian Griffin, the executive chairman, said that a 19 per cent rise in second half profits had been achieved by strict cost control and a small rise in turnover.

The total dividend is raised by 6 per cent from 8p to 8.5p via a proposed final payment of 5.8p (5.45p).

Excalibur raises £5.5m to fund expansion in music

By Caroline Southey

Excalibur Group, the precision engineering and giftware company, yesterday announced the acquisition of Lifetime Europe, a music and video distributor, to be funded through a 1-for-4 rights issue.

Excalibur will make an initial consideration of £500,000 for Lifetime, plus a further sum of up to £3m. The rights issue, fully underwritten by Samuel Montagu, is expected to raise £5.5m net, pricing the shares at 40p, which closed down 2¼p yesterday at 46p.

Mr Michael Griffiths, chairman, said the acquisition would complement Excalibur's presence in the budget music market. Lifetime showed turnover of £2.9m and pre-tax profits of £540,000 in the year to December.

Excalibur also plans capital expenditure of £8m over the next two years. Mr Griffiths said it was necessary to invest in the company's two core divisions, precision engineering and consumer products, following a restructuring programme and the disposal of loss-making operations.

In April Excalibur sold Premier Chain, its jewellery chain business, to its management.

The precision engineering division, which contributed 50 per cent of turnover, has an order book of £17m and has won a four-year contract with LDV (formerly Leyland Daf Vans) for power and manual steering systems.

The division will receive an injection of £5.9m over the next two years – £3.9m to increase capacity and £2m on plant replacement. A further £2m will be spent on the consumer products division.

Gearing, which stood at more than 100 per cent in the last balance sheet, was 95 per cent at the April 30 year-end. Indebtedness related to gold bullion has been reduced by £4m to £266,000 during the year.

Excalibur reported pre-tax losses of £1.6m, compared with £6.2m, for the year to the end of April on turnover down from £61.6m to £54.4m. The losses reflected goodwill of £3.3m written off following the disposal of Premier Chain. Profits before exceptionals were £2m against losses of £400,000.

Losses per share fell from 10.5p to 2.8p with adjusted earnings per share of 3.2p, compared with losses of 1.8p. A final dividend of 0.4p (0.3p) has been recommended making an increased total of 0.65p, against 0.5p last time.

Shares in Ideal Hardware set at 225p

By Paul Taylor

Shares in Ideal Hardware, which is coming to market through a placing with institutional investors, were priced yesterday at 225p, valuing the company at £47.5m.

Ideal started trading in January 1987 and has grown into one of the largest independent distributors of computer data storage products. It has between 10 and 15 per cent of the rapidly expanding distribution market in the UK for disc, tape and optical drives.

In the year to April 30 pretax profits rose to £4.56m (£1.58m) on turnover of £71.8m (£45.5m).

On the basis of historic earnings per share of 15p last year, the placing price represents a p/e of 15.

Yesterday the directors said that, in the absence of unforeseen circumstances, they expected to pay an interim dividend for the six months to October 31 of 3.4p and to recommend a final dividend of 5.2p.

On this basis the shares will have a gross dividend yield of 4.8 per cent, based on the placing price.

Under the flotation terms 7.47m shares, representing 35.3 per cent of the issued capital, are being placed by Charterhouse Tilney with institutional and other investors.

The placing will raise £16.8m after expenses, including £2.5m for the company, which will help fund the purchase of larger premises.

Some 6.14m shares are being sold by existing shareholders. Mr Konrad Goess-Saurau, one of the company's founders, is selling the bulk of his 26.2 per cent stake. Following the flotation, executive directors will hold a little less than 53 per cent of the expanded capital.

The shares are expected to begin trading next Thursday.

Safeland purchase

Safeland has acquired from UBAF Bank a 5,850 sq ft retail investment property in Ash Vale, Hants, for £467,000 cash.

Stanley Leisure's £12m beats City expectations

By Ian Hamilton Fazey, Northern Correspondent

Stanley Leisure Organisation, the Liverpool-based betting shops and casinos group, reported a 53 per cent increase in pre-tax profits to a record £12.4m for the year to May 1.

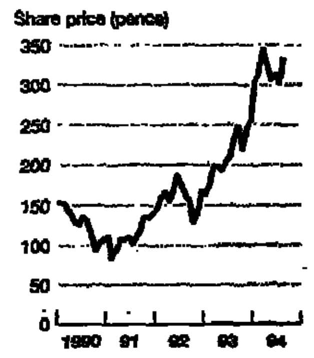
The result, which compared with £8.1m, was nearly £1m ahead of analysts' expectations. The shares closed up 14p at 333p.

Turnover rose by 21 per cent to £265.2m (£218.5m).

Earnings per share were 44 per cent ahead to 18p against 12.5p restated for January's £21m rights issue. A proposed final dividend of 3.5p lifts the total to 5.25p (4.21p). Dividend cover is 3.16 times on post-tax profits of £8.44m.

Stanley now owns 419 betting shops and 19 casinos. Of the 66 shops bought in the year, 49 were the Selwyn Demmy chain in Scotland. Acquisitions, which also include two casinos, contributed £884,000 of the £15.38m operating profit and £14.47m of the £265.2m turnover.

Stanley Leisure



Source: Datastream

One casino and two small groups of betting shops have been bought since the rights issue – which was 98.83 per cent taken up – at a cost of only £3m. Cash balances improved to £2.79m (£3.63m overdraft). Gearing fell to 10 per cent (37 per cent) on increased shareholders' funds of £123m (£92.7m).

Stanley, which renegotiated a five-year £45m revolving credit facility in March, remains cautiously acquisitive. Mr Leonard Steinberg, the chairman, said it would continue to use sensible prices and potential for improvement as the criteria for further buying. About £4m was spent on upgrading shops and casinos.

Prism Leisure ahead 38% but warns on first quarter

By Gary Evans

Prism Leisure Corporation, the USM-quoted computer games and music group, yesterday reported a 38 per cent profits rise, but a warning that trading in the first quarter of the current year had been "somewhat disappointing" pushed the shares down 5p at 167p.

Mr Geoff Young, chairman, said the Christmas quarter remained the company's most significant trading period.

Pre-tax profits for the 53 weeks to April 2 rose to £1.85m (£1.33m) on turnover 24 per cent higher at £19.4m. Earnings per share increased to 14.2p (10.4p) and a recommended final dividend of 3.03p makes a total for the year of 4.18p (3.27p).

Mr Young said the computer games division, and in particular the merchandising operation, once more performed strongly. The audio and video side however, had a difficult year, with turnover reduced.

The German subsidiary had a good year, with both turnover and profits up, while Prism's pub quiz offshoot made a marginally lower contribution than in previous years, but still "performed creditably", said Mr Young.

In its first full year within the group, Paul Lamond – mainly trading in board games – performed in line with expectations and contributed "a useful profit".

RANDGOLD

Gold mining companies' reports for the quarter ended 30 June 1994

Blyvooruitzicht Gold Mining Company, Limited

Registration No. 05/07743/06

ISSUED CAPITAL: R6 000 000 IN 24 000 000 ORDINARY SHARES

OPERATING RESULTS	Quarter ended 30-6-1994	Quarter ended 31-3-1994
Underground operations		
Ore milled – t'000	231	235
Gold produced – kg	1 387	1 329
Yield – g/t	6.00	5.66
Revenue – R/kg	41 912	38 644
Cost – R/kg	44 950	44 554
Working loss – R/kg	3 038	4 910
Revenue – R/t milled	251.86	224.20
Cost – R/t milled	269.89	251.97
Working loss – R/t milled	18.24	27.77
Surface operations		
Tonnage treated – t'000	365	350
Gold produced – kg	160	172
Yield – g/t	0.41	0.49
Revenue – R/kg	41 912	38 644
Cost – R/kg	18 013	18 150
Working profit – R/kg	23 899	20 494
Revenue – R/t milled	17.18	19.48
Cost – R/t milled	7.38	9.41
Working profit – R/t milled	9.80	10.07
FINANCIAL RESULTS (R000's)		
Revenue	64 418	59 508
Cost	65 047	62 508
Working loss	(629)	(3 000)
Sundry expenditure – net	(458)	(595)
Loss before taxation	(1 087)	(3 595)
Taxation	17	919
Loss after taxation	(1 070)	(2 676)
Capital expenditure – net	3 894	4 245

OPERATIONS

Production and costs were affected by disruption during the election period.

HEDGING

At the date of this report, the company had the following hedging contracts:

12 months ending 30 June	Kilograms sold	Average minimum price per kilogram
1995	3 471	R41 627
1996	93	R42 545

On 10% of the above contracts only the US dollar prices have been secured. A Rand/US dollar conversion rate of 3.63 was used to convert these contracts to Rands.

CAPITAL EXPENDITURE

Capital expenditure includes R1.4 million (previous quarter: R1.7 million) for the company's contribution for development related to the Western Deep Levels Tribute.

There are commitments for capital expenditure amounting to R2.1 million (previous quarter: R3.8 million).

For and on behalf of the board,
J. P. S. TURNER, Chairman
E. B. CROCKER, Managing Director

15 July 1994

Harmony Gold Mining Company Limited

Registration No. 05/38232/06

ISSUED CAPITAL: R13 442 325 IN 26 884 650 ORDINARY SHARES

OPERATING RESULTS	Quarter ended 30-6-1994	Quarter ended 31-3-1994
Underground operations		
Ore milled – t'000	1 579	1 537
Gold produced – kg	5 229	5 082
Yield – g/t	3.31	3.29
Revenue – R/kg	40 847	38 032
Cost – R/kg	38 480	37 691
Working profit – R/kg	2 368	341
Revenue – R/t milled	135.27	125.26
Cost – R/t milled	127.46	124.13
Working profit – R/t milled	7.81	1.13
Surface operations		
Tonnage treated – t'000	44	60
Gold produced – kg	115	206
Yield – g/t	2.61	3.47
Revenue – R/kg	40 847	38 032
Cost – R/kg	15 957	10 240
Working profit – R/kg	24 890	27 792
Revenue – R/t treated	109.76	131.64
Cost – R/t treated	41.71	35.50
Working profit – R/t treated	68.05	96.34
FINANCIAL RESULTS (R000's)		
Revenue	218 287	200 430
Cost	203 092	192 920
Working profit	15 195	7 510
Sundry revenue – net	3 186	3 139
Profit before taxation	18 381	10 649
Taxation	614	979
Transitional levy	1 557	-
Profit after taxation	16 210	9 670
Extraordinary item	-	28 000
Profit/(loss) after extraordinary item	16 210	(18 330)
Capital expenditure – net	8 694	2 573

OPERATIONS

Production and costs were affected by the disruption during the election period. The reduction in grade of the surface operations is in line with the depletion of these reserves.

Capital expenditure will increase to improve mining flexibility.

The findings of the joint Inquest/Inquiry into the Merriespruit slimes dam disaster are not expected before the end of October 1994.

An underground fire at Harmony No. 4 Shaft on 4 July has been brought under control. Tonnage in the current quarter will be affected by approximately 10 000 tons.

HEDGING

At the date of this report, the company had the following hedging contracts:

12 months ending 30 June	Kilograms sold	Average minimum price per kilogram
1995	10 833	R48 727

On 5% of the above contracts only the US dollar prices have been secured. A Rand/US dollar conversion rate of 3.63 was used to convert these contracts to Rands.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R3.9 million (previous quarter: R3.2 million).

Capital expenditure/recoupment is reflected net of the proceeds from sale of assets which amount to R0.4 million, compared with R0.7 million in the preceding quarter.

For and on behalf of the board,
J. P. S. TURNER, Chairman
E. B. CROCKER, Managing Director

15 July 1994

East Rand Proprietary Mines, Limited

Registration No. 01/05773/06

ISSUED CAPITAL: R678 226 919 IN 149 365 386 ORDINARY SHARES

OPERATING RESULTS	Quarter ended 30-6-1994	Quarter ended 31-3-1994	Six months ended 30-6-1994
Underground operations			
Ore milled – t'000	244	256	500
Gold produced – kg	1 494	1 452	2 946
Yield – g/t	6.12	5.67	5.89
Revenue – R/kg	43 723	42 091	42 898
Cost – R/kg	49 862	47 277	48 588
Working loss – R/kg	6 139	5 186	5 690
Revenue – R/t milled	267.71	238.73	252.76
Cost – R/t milled	305.30	268.15	286.28
Working loss – R/t milled	37.59	29.42	33.52
Sand treatment			
Sand treated – t'000	508	536	1 044
Gold produced – kg	323	406	729
Yield – g/t	0.64	0.76	0.70
Revenue – R/kg	43 723	42 091	42 898
Cost – R/kg	22 502	22 607	22 560
Working profit – R/kg	21 221	19 484	20 338
Revenue – R/t treated	27.80	31.88	29.95
Cost – R/t treated	14.31	17.12	15.75
Working profit – R/t treated	13.49	14.76	14.20
FINANCIAL RESULTS (R000's)			
Revenue	79 445	78 205	157 650
Cost	81 761	77 825	159 586
Working (loss)/profit	(2 316)	380	(1 936)
Abnormal item	23 700	-	23 700
Sundry revenue - net	2 562	3 180	5 742
Interest: paid and deferred	(76)	(367)	(443)
Profit before taxation	23 870	3 193	27 063
Transitional levy	288	-	288
Profit after taxation	23 582	3 193	26 775
Capital expenditure – net	10 444	3 219	13 663
Special Dividend	11 948	-	11 948

OPERATIONS

Underground production and productivity targets have not been achieved. Grade remains within expected ranges. Production to year end will be down on that originally forecast. Costs have been affected by disruptions over the election period and provisions made in relation to wage increases and the possible termination of service of employees involved in political violence referred to in the announcement of 6 April.

Sand treatment production was further affected by the commissioning of pumping from the sand dump, the benefits of which should now accrue. The decline in yield is in line with expectations.

HEDGING

At the date of this report, the company had the following hedging contracts:

3 months ending 30 September	Kilograms sold	Price per kilogram
1994	544	R44 793

PUMPING ASSISTANCE

Assistance totalling R1.5 million (previous quarter: R1.5 million) for the pumping of extraneous water was claimed from the State during the quarter. Working costs have been reflected net of this assistance.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R9.2 million (previous quarter: R1.8 million).

ABNORMAL ITEM

Amount refunded from power supplier for over-registered consumption during past periods.

SPECIAL DIVIDEND

Dividend No. 120 of 8 cents per share declared on 13 July 1994 is payable to members on 15 August 1994. This dividend is a distribution of the profit as a result of the receipt of the abnormal item.

SHARE PREMIUM

In terms of the circular to shareholders issued on Friday, 19 November 1993, the company applied to the Supreme Court of South Africa for a reduction of share capital under which the accumulated deficit at 31 December 1993 of R114 129 902 would be offset against the share premium account. This order of court was granted on 8 July 1994.

For and on behalf of the board,
J. P. S. TURNER, Chairman
M. R. HAYNES, Director

15 July, 1994

NOTES

DIVIDENDS

No dividends other than East Rand Propriety Mines, have been declared for the three months ended 30 June 1994.

CAPITAL EXPENDITURE

Future capital expenditure is being restricted to those projects considered vital to the continuance of operations.

GOLD HEDGING

The proceeds from hedging transactions completed during the quarter form and will continue to be reflected as part of revenue derived from the sale of gold.

GENERAL

- All the companies mentioned are incorporated in the Republic of South Africa.
- Issued capital values include share premium.
- All financial figures are unaudited.
- Copies of the above quarterly reports may be obtained on application to the share transfer secretaries.

United Kingdom secretaries
Viaduct Corporate Services Limited
19 Charterhouse Street
London EC1N 6QP

United Kingdom registrars and paying agents
Barclays Registrars
Bourne House, 34 Beckenham Road
Beckenham, Kent BR3 4TU

Shares fall 12p to 298p on disappointing growth in net asset value

Peel Holdings rises to £10.2m

By Simon Davies

Peel Holdings, the property company that owns the Manchester Ship Canal, yesterday reported pre-tax profits of £10.2m for the year to March 31, up from £9.4m in 1993.

The shares fell 12p to 296p, reflecting a lower-than-expected increase in net asset value per share, which rose only 13p to 328p, despite the recovery in the UK property market.

The results followed the announcement last Friday that the Court of Appeal had quashed planning permission for Peel's proposed £200m shopping centre at Dumplington, Greater Manchester. But the company remains optimistic that its appeal will be successful.

The Dumplington development was at the centre of Peel's eight-year battle to gain control of Manchester Ship Canal. This site remains on the books valued at £18.1m, but Mr Peter Scott, managing director, said this was a comfortable "fall-back value."

Turnover during the year fell marginally to £67.6m (£68.1m), with total net rental income rising from £41.1m to £43.2m, despite £2.52m of fresh annualised voids.

The company's portfolio is currently carrying voids of £5.2m, and this was reflected in an external valuation of the office and industrial properties, which lowered their values by 16 per cent and 19 per cent respectively, compared with the last external valuation in 1991.

Overall, however, property values rose by £9.7m, due to a 28 per cent increase in values of out-of-town retail centres, and increases in overseas property.

The company has also reinstated a property development programme, but it is proceeding only where sufficient pre-sales and pre-lets can be achieved. It has only £10m tied up in development projects.

The port operations contributed operating profit of £3.8m, but suffered a further £1.22m from voluntary severance costs.

The company's net debt has increased by £33m to £369.1m, as a result of the buy-out of the minority shareholders in Manchester Ship Canal last year.

Gearing amounts to 116 per cent, but interest payable fell from £37.2m to £36.1m, due to lower interest rates.

Last November, the company issued £37.4m of 8.59 per cent long-term bonds, and its fixed average borrowing cost is now 10.05 per cent.

The recommended final dividend of 3.2p makes a total of 4.5p (4p) for the year. Earnings per share were 6.11p (2.41p).

Invesco raises £19m as Japan trust opens

By Scheherazade Daneshkhu

Invesco has so far raised £19m from a placing of shares in its Japan Discovery Investment Trust.

The size of the trust has been capped at £70m, with the minimum set at £20m. The public offer, which opened yesterday, ends on July 29 and dealings begin on August 8.

The new trust will invest in smaller Japanese companies for long-term capital growth. The Japanese investment trust sector has been the focus of substantial enthusiasm so far this year.

Earlier this month, Schroders' new Japan Growth Investment Trust, investing in a broad range of companies, was oversubscribed by £2.8m after raising its full £125m. Fidelity Japanese Values, a smaller companies trust, raised £105m.

Invesco already runs two Japanese unit trusts, and the new investment trust will be managed by its existing Tokyo-based fund managers.

Shares are issued at 100p, with one warrant attached to every five shares. Issue expenses have been capped at 4.9 per cent.

Sage enhances market position with acquisition

By Paul Taylor

David Goldman: important deal in terms of overall strategy

Sage Group, the Newcastle-based accounting software company, has significantly enhanced its market position and product portfolio through the acquisition of Multisoft Financial Systems for an initial £4m in cash.

Sage will make additional payments to the vendors of up to a maximum of £2.5m subject to sales performance in the period up to September 30 next year.

The acquisition, which will be paid for out of cash balances, will supplement Sage's traditional market strength in providing personal computer accounting software mainly for small businesses.

Multisoft is a leading supplier of accounting and business software for medium and larger companies and is currently developing a new range of software designed to be run on the "open-system" client/server networks which are being rapidly introduced in larger companies. This new software will be launched later this year.

Commenting on the deal, Mr David Goldman, Sage's chairman, said, "We regard the acquisition of Multisoft as being very important in terms of our overall strategy. This move consolidates our coverage of the UK accounting market. I am particularly excited about the client/server capability which Multisoft will bring to the group."

The accounting software market for multi-user network systems for medium and larger companies is characterised by more expensive, higher added-value products which are tailored to the needs of the customer. There is no dominant supplier in this large segment of the market at present.

Multisoft, which employs 72 people in Alton, Hampshire, was set up in 1983 and was the subject of a management buy-out in 1990. It has an installed client base of more than 8,000, of which 45 per cent are companies with annual turnover of more than £8m.

In the year to June 30, Multisoft's operating profits grew sharply to "not less than" £500,000 (£58,000) on sales of about £5m (£4.48m). The net assets being acquired have a book value of £1.2m.

Furniture side helps Hampson to £4m

By Caroline Southey

A surge in sales in the furniture division of Hampson Industries, the West Bromwich-based diversified industrial group, contributed to a 75 per cent rise in pre-tax profits from £2.42m, restated for FRS 3, to £4.23m in the year to March 31 1994.

The increase in profits was achieved after charges of £1.39m, which included a goodwill write-off of £937,000 following the closure of Clearway Aluminium, the only division in the company involved in the construction industry.

Operating profits rose from £4.39m to £6.28m with continuing operations up 34 per cent at £6.64m (£4.95m). Turnover advanced to £91.5m (£79.1m) with £90m (£78m) from continuing operations. Gearing at the year end was reduced to 26 per cent (46 per cent).

Mr Ray Way, chairman, said the group's financial position continued to strengthen and borrowings were "well under control".

The furniture division, Ian Walker Furniture, hit by sterling's realignment last year, saw margins restored and sales increase to help push operating profits in the consumer goods division up from £77,000 to £1.53m on turnover of £38.9m (£33.3m).

International demand helped sales at Erlson Engineering, a supplier of turbocharger components, increase by 18 per cent while hardening commodity prices and better customer demand helped trading conditions in the aluminium refining division. Total operating profits for the industrial goods division rose from £4.59m to £4.71m on turnover of £43.1m (£37.8m).

Mr Way said diversification was essential in the precision engineering division where margins continued to be under pressure and order intakes were down because of cuts in defence expenditure. A programme was under way to shift the customer base of Bellhouse Hartwell and BHW (Components) and penetrate the civil sector.

A final dividend of 1.5p (1.2p) makes a 2p (1.6p) total. Earnings were 3.06p (0.96p).

Marks and Spencer sales receive overseas spur

First-quarter sales for Marks and Spencer, the retailer, in north America, continental Europe and east Asia were up on last year and particularly good in Hong Kong and the International Franchise Group, Sir Richard Greenbury, chairman, told the annual meeting.

He added that sales in the UK were "up to expectations".

The group is to open two new stores, in Paris and Valencia, in the autumn and is investigating the possibility of moving into Japan and China.

The pace of expansion in the UK was "accelerating", said Sir Richard, with plans for capital expenditure of more than £1bn over the next three years. In the past year capital expenditure reached "a new high of £350m." the group had "the biggest footage expansion programme in [its] history".

M&S shares rose 8p to 414p.

NEWS DIGEST

Storehouse sees year of progress

Sales at Storehouse, the BhS and Mothercare retail chain, were 5 per cent ahead in the first quarter, Mr Ian Hay Davison, the chairman, told the annual meeting.

Costs remained under control, he said, and operating profits were ahead of the same period last year. Although it was too early for a profit forecast, he was confident the year would be one of "significant progress". For the year to April 2 1994 Storehouse reported pre-tax profits of £62.4m (£15.2m).

Cortecs signs Japanese agreement

Cortecs, the biotechnology company which recently gained a London listing, has signed an exclusive agreement for distribution in Japan of its detection kits for Helicobacter Pylori, the bacterium involved in the development of peptic ulcers.

Zenyaku Kogyo, a Japanese pharmaceuticals company with sales of $160m (£105.2m) last year, will undertake the registration for the kits and has agreed "significant" milestone payments to Cortecs. The agreement contemplates sales of £20m over the first seven years in Japan.

Heiton at I£0.73m after provision

A fall in pre-tax profits from I£1.75m to I£733,000 (£725,000) was announced by Heiton Holdings, the Dublin-based steel stockholder, builders' merchant and DIY retailer, for the year to April 30.

Although turnover improved to I£67m (I£61.7m) operating profits were lower at I£2.49m (I£2.57m). There was also an exceptional provision of I£984,000 to reduce the carrying value of the investment in Consolidated Holdings.

Earnings per share worked through at 0.57p (3.66p) and the dividend for the year is held at 2p with an unchanged final of 1.35p proposed.

EFM Japan Trust advances 19%

EFM Japan Trust, managed by Edinburgh Fund Managers and launched in July 1992, raised net asset value by 19 per cent from 158p to 188p in the 12 months to May 31.

The increase compared with an 8.7 per cent increase in the Tokyo First Section Index in sterling terms, while there has been an overall rise of 96.7 per cent since the launch.

Following a recent change in its managers brand name from EFM to Edinburgh, the company intends to change its name to Edinburgh Japan Trust.

After-tax loss for the year to May 31 was £28,000 (£62,000 profit for 51 weeks) and losses per share were 0.28p (0.62p earnings).

Fleming Intl High maintains pay-out

The net asset value per share of the Fleming International High Income Investment Trust stood at 46.8p at the year ended May 31, a 10.6 per cent improvement on its level of 42.3p a year ago but marginally down from the 48.5p at which it stood six months previously.

A same again final dividend of 2.5675p maintains the total at 3.5675p on earnings of 3.22p (3.99p) per share. Available revenue fell from £4.45m to £3.6m.

Mosaic Invs studies flotation of offshoot

Mosaic Investments, the display products, packaging and marketing services group, said yesterday that to maximise shareholder value it was considering floating the Copyright Promotions Group, its wholly-owned subsidiary.

Under the proposals Mosaic would retain a significant minority interest in CPG and the latter's managers would be substantial shareholders.

Equity Consort net assets advance

Equity Consort Investment Trust reported net asset value per ordinary share of 700.4p at April 30, against 657.5p a year ago. The figures per deferred shares were 1200.9p, compared with 1115.1p.

For the year to the end of April attributable profits were £1.4m (£1.45m). Earnings per ordinary share were 24.81p (25.47p) and 40.02p (41.35p) per deferred share.

Final dividends are proposed of 13.8375p per ordinary share and 27.075p per deferred for totals of 24.9p (24.5625p) per ordinary and 40.2p (40.125p) per deferred.

The company is also proposing a 1-for-1 capitalisation issue for both classes of shares and the issue of warrants on the basis of 1-for-13.47055 ordinary and 1-for-7.95140 deferred.

COMMODITIES AND AGRICULTURE

London coffee hit by a $188-a-tonne 'correction'

By Deborah Hargreaves

Coffee prices staged a sharp correction yesterday when the London market responded to a late downturn in New York on Wednesday. The September futures contract at the London Commodity Exchange slipped by $188 to $3,805 a tonne in moderate trading.

"A lot of the business has been liquidations," said one trader, "people are getting out of the market and staying out to watch developments."

In the final minutes of trading on Wednesday night, arabica coffee futures at the Coffee, Sugar and Cocoa Exchange in New York suddenly went into reverse, turning a 20-cent rise into a 4-cent fall on the day at $2.41 a pound. If the London market had fallen by an equivalent amount, nearby positions would have lost over $500 a tonne.

London traders said the New York market was setting the tone for trading. It declined again yesterday, the September position reaching $2.39 a pound by midday.

The sell-off was heavily influenced by technical chart activity and by worried speculators who thought the market might have seen its peak. Rumours that Brazil was about to re-open registrations prior to starting exports again added to the uncertain mood in the market. Brazil halted exports earlier this week in order to assess the frost damage to next year's crop.

In the meantime, several coffee companies announced increases in their consumer prices in response to the recent rapid run-up in the futures markets. In the US, a division of Nestlé raised ground coffee prices by 13 per cent and in Germany roasters hiked some prices by 28 per cent.

But Mr Alexandre Beltrao, executive director of the International Coffee Organisation, said the price rises should not affect consumption as coffee remained a cheap drink.

Aluminium club's membership remains limited

By Kenneth Gooding, Mining Correspondent

Aluminium producing countries taking part in the unprecedented international agreement to cut global production have not been able to find a formula that would enable Brazil, the Gulf States and Venezuela to be included.

Only delegates from the original six participants – Australia, Canada, the 12-nation European Union negotiating as one, Norway, Russia and the US – are to attend the monitoring meeting in Canberra, Australia, on July 20 and 21.

There is also some disquiet in the aluminium industry about the degree of Russian commitment to the agreement. Its two senior negotiators at previous trade talks, Mr Georgi Gabounia, a deputy minister in the Ministry for Foreign Economic Relations, and Mr Igor Prokopov, head of the country's aluminium industry association, are believed not to be attending the Canberra meeting.

However, one delegate suggested Mr Gabounia's absence was because he had been promoted and it was hoped that both men would be replaced at the meeting by people of equivalent stature.

Russia undertook to cut its annual aluminium production by 500,000 tonnes in two stages, the second 200,000-tonne tranche was to have been completed by the end of this month. Some delegates suggest the most sensitive issue at the meeting next week will be the question of how much Russian production has been cut so far and what the other countries can do to impress upon the Russians that they should stand by their commitments.

There are indications, however, that the Russians have started to supply production figures to the International Primary Aluminium Institute, the London-based organisation which collates statistics for the industry.

At a meeting last January, delegates estimated that world-wide annual output cuts of between 1.5m and 2m tonnes for two years were needed to bring the aluminium market back into balance. Since then western companies have announced planned cuts of more than 1m tonnes and stocks have begun to fall. Prices have responded by jumping by about 60 per cent and recently touched the highest level for 40 months.

Nevertheless, the European industry in particular remains disappointed that some important aluminium producing countries not represented at the trade talks have failed to make cuts. It has been pressing for Brazil, the Gulf States and Venezuela to be invited to future talks on the grounds that their reluctance to share the industry's pain by cutting output by about 10 per cent is understandable because they did not take part in the original discussions.

However, US trade delegates strenuously resisted any broadening of the scheme on the advice of Justice Department lawyers, who are worried about anti-trust problems. The more countries involved in the scheme, the more it might look like an illegal cartel, the lawyers argue. It was for this reason that Japan, one of the biggest aluminium consuming nations, was excluded from the negotiations although it asked to join in.

● Two Gulf Arab aluminium producers said yesterday that they had no immediate plans to change their combined output of about 590,000 tonnes annually, reports Reuter from Manama, Bahrain.

But Mr Gudvin Tofte, chief executive of Aluminium Bahrain (Alba), said the company's management was watching the market before making any decision on whether to change Alba's current output of around 445,000 tonnes per year.

"We are watching the situation day by day... watching the price and what other producers are doing," he said. "Based on these developments, we will adjust our output. We will wait and see for a while."

Another Gulf Arab producer, Dubai Aluminium Company (Dubal), said it would maintain its current output.

"Dubal is not planning a cut in its current production of around 245,000 metric tonnes annually," said Chief Executive Edward Ian Rugeroni.

Delegates optimistic following 'constructive' rubber pact talks

Delegates from key natural rubber producing and consuming nations concluded three days of informal talks yesterday expressing optimism that a global pricing pact could be achieved this year, reports Reuter from Kuala Lumpur.

The high-level working group meeting in Kuala Lumpur was held ahead of UN-sponsored talks in Geneva in October to renegotiate the International Natural Rubber Agreement.

"The informal talks have been constructive. I am optimistic that we can reach an agreement in October," said European Union delegate Mr Derrick Taylor.

The working group comprises rubber producers Indonesia, Malaysia and Thailand, and the top three consumers, Japan, the EU and the US.

Delegates said UN rubber pact negotiating president Mr Peter Lai also appeared optimistic that a deadlock over pricing would be resolved at the Geneva talks.

The rift between growers and consumers over the key pricing issue blocked efforts to conclude negotiations on a new Inra in Geneva in April.

Consumers, led by the United States, want no change in the reference price, which has remained at 196.84 Malaysian/Singapore cents a kilogram since the first pact was agreed in 1979. The reference price is used to calculate when buffer stocks can be bought or sold in the market. Producers say inflation and the rising costs of production since 1979 both warrant an increase in the reference price.

"We both understand each other's positions better now after having frank talks," Mr Taylor said. Other delegates thought the same. "Both sides seem to be more sympathetic to each other's position," said one. But he added that producers were still seeking a higher reference price.

Malaysia, the world's third largest producer of rubber, has said a higher reference price would encourage small growers to stay in business and ensure long-term supplies. It argues that rubber's present strength could be temporary.

The talks were held as the International Natural Rubber Organisation's buffer stock manager was selling rubber in an effort to arrest a recent sustained rise in prices.

The EU last week demanded early and substantial sales from Inro's buffer stock in order to have maximum market impact. Buffer stock manager Mr Aldo Hofmeister responded by selling an undisclosed amount of rubber in several markets, beginning last Friday, from its warehouses in Britain, China, Malaysia and Indonesia. Mr Taylor hoped that rubber prices would ease following Inro's intervention.

"EU member nations would think it is illogical to pay for a buffer stock if it does not work," he said.

Rubber prices should settle down "in a week to 10 days", said Mr Hofmeister. Inro's sales have so far failed to contain its five-day moving average price, which rose on Wednesday to 233.35 Malaysian/Singapore cents a kilogram from 232.93 cents.

Pulp industry awaits Canadian labour board ruling

By Bernard Simon in Toronto

British Columbia's Labour Relations Board is to issue a ruling today on a dispute between wood pulp mills and their unions that could have an important bearing on world pulp prices and on the investment climate for forestry companies on Canada's west coast.

The board will decide whether to allow employers to negotiate a new labour contract with their 12,000 workers on a mill-by-mill basis, or to bow to the demands of the unions for the retention of the present system of industry-wide collective bargaining.

No matter which way the board's decision goes, industry executives and analysts say the odds are high that subsequent talks on a new labour contract will end in deadlock. Mr Ross Hay-Roe, analyst at Equity Research in Vancouver, said that "we stand a high probability of some sort of shutdown".

Canada accounts for more than a quarter of world pulp production, with the bulk of output coming from British Columbia. Fears of a strike at BC's 19 mills have contributed to an unexpectedly steep spiral in pulp prices this year. Producers are about to raise the price of northern bleached softwood kraft pulp, the industry staple, to US$620 a tonne, from about US$390 last autumn.

Many pulp mills have begun to ration sales. According to a trader at MC Forest, a Vancouver-based subsidiary of Japan's Mitsubishi, demand is especially strong from South Korea, Italy and northern Europe.

The labour board decision comes on the heels of numerous initiatives by the left-of-centre provincial government that have left the BC forestry industry deeply demoralised. They include moves to protect a higher proportion of forests from logging, tighter regulations on forestry practices and other environmental restrictions.

Employers contend that mill-by-mill bargaining is required to introduce more flexible work practices, rather than to squeeze wages. "It's one of those watershed issues for the major companies," an executive at one Vancouver group said. He predicted that if the decision went against the industry, companies would "become a lot more selective about what they put their money into here".

The stakes for the two unions that represent the mill workers are also high as they struggle to adapt to competition from countries where costs are lower.

The unions' dilemma was illustrated at a loss-making Newfoundland newsprint mill operated by Abitibi-Price earlier this week. Workers decided to let the company close one newsprint machine, with the loss of 370 jobs, rather than agree to reopen their labour contract to accommodate more flexible work practices.

MARKET REPORT

Copper's break out pulls other base metals higher

COPPER prices broke up out of their recent ranges at the London Metal Exchange yesterday afternoon, pulling other metals higher.

Fresh speculative interest fuelled a rise that triggered stop-loss buying orders above $2,475 a tonne for three months delivery. The price closed at $2,482.50, up $35, before being trimmed back to $2,478 in after hours trading. Some traders *expectations of a further* decline in LME warehouse stocks were supportive.

ALUMINIUM tracked copper but was not able fully to match its gains as there is a sizeable resistance area stretching up towards the $1,550 a tonne *level for the three months* position, which closed at $1,52.50, up $10.

Three months ZINC finally broke above $1,000 a tonne as the bullish enthusiasm of copper and aluminium spilled over. Stop-loss buying took the price up to the day's high, with final business at $1,006, a $12 gain.

LEAD was also steadier, although three months metal continued to meet stubborn resistance near the $600-a-tonne level. It finished at $596, up $4.

Compiled from Reuters

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE
(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1525-6	1542-3
Previous	1514-5	1532-3
High/low		1544/1528
AM Official	1519.5-20.5	1536.5-7.0
Kerb close		1538-9
Open int.	291,410	
Total daily turnover	43,897	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	1510-5	1530-5
Previous	1505-15	1525-35
High/low		1535
AM Official	1515-20	1530-5
Kerb close		1535-60
Open int.	2,802	
Total daily turnover	497	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	586.5-7.5	597-7.5
Previous	582-4	594-6
High/low		600/595
AM Official	586-7	597.5-8.0
Kerb close		594-5
Open int.	42,025	
Total daily turnover	7,520	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	6290-300	6380-5
Previous	6260-70	6350-5
High/low		6420/6380
AM Official	6285-90	6375-8
Kerb close		6350-60
Open int.	59,468	
Total daily turnover	7,819	

■ TIN ($ per tonne)

	Cash	3 mths
Close	5365-75	5425-35
Previous	5310-20	5390-400
High/low		5435/5380
AM Official	5349-50	5410-15
Kerb close		5430-5
Open int.	19,197	
Total daily turnover	4,974	

■ ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	971.5-2.5	995-6
Previous	968-9	992-3
High/low		1008/992
AM Official	969-70	993.5-4.0
Kerb close		1006-7
Open int.	102,374	
Total daily turnover	18,612	

■ COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	2466.5-7.5	2482-3
Previous	2429-30	2447-8
High/low	2450.5	2485/2449
AM Official	2450-1.0	2485.5-6.5
Kerb close		2476-9
Open int.	232,791	
Total daily turnover	48,984	

■ LME AM Official £/$ rate: 1.5633
LME Closing £/$ rate: 1.5620

Spot:1.5620 3 mths:1.5611 6 mths:1.5611 9 mths:1.5605

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	low	Open int	Vol
Jul	112.15	+1.95	112.30	111.00	2,108	288
Aug	112.30	+1.80	112.00	112.00	897	7
Sep	112.75	+1.85	113.20	111.45	31,181	3,387
Oct	112.40	+1.85	-	-	324	-
Nov	110.20	-	-	-	245	-
Dec	111.45	+1.65	111.80	110.30	9,385	315
Total					49,981	3,898

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	383.00-383.30	
Opening	383.30-383.70	
Morning fix	384.00	245.640
Afternoon fix	384.20	244.838
Day's High	384.60-385.00	
Day's Low	381.75-382.25	
Previous close	384.00-384.40	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	4.10	6 months	4.61
2 months	4.21	12 months	5.03
3 months	4.30		

Silver Fix	p/troy oz.	US cts equiv.
Spot	330.10	516.25
3 months	334.25	522.50
6 months	338.45	529.05
1 year	348.70	544.50

Gold Coins	$ price	£ equiv.
Krugerrand	388-391	248-250
Maple Leaf	394.80-397.30	-
New Sovereign	90-93	58-61

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol.
Jul	383.9	+0.5	-	-	186	2
Aug	384.4	+0.4	385.7	382.0	66,190	29,935
Sep	385.9	+0.4	-	-	-	-
Oct	387.4	+0.3	388.5	385.5	6,502	436
Dec	390.7	+0.4	391.9	388.3	30,711	2,683
Feb	394.1	+0.3	392.0	392.0	6,340	543
Total					148,272	34,727

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol.
Jul	411.4	+1.8	-	-	196	23
Oct	412.9	+2.3	414.8	411.0	17,875	2,720
Jan	416.4	+2.4	417.0	414.0	2,437	667
Apr	419.9	+2.6	420.0	416.5	1,618	127
Total					22,328	3,537

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol.
Sep	148.15	+1.40	149.00	146.75	4,658	287
Dec	147.85	+1.15	147.50	147.00	841	88
Mar	147.15	+0.90	-	-	126	5
Total					5,625	380

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol.
Jul	516.9	+4.1	523.0	512.0	328	117
Aug	518.6	+3.9	-	-	-	-
Sep	520.3	+3.8	527.0	515.0	80,668	26,604
Dec	527.5	+3.7	534.0	522.0	23,834	3,110
Jan	529.2	+3.7	-	-	33	-
Mar	535.6	+3.5	541.0	534.0	6,558	103
Total					123,671	29,972

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Aug	20.12	-0.03	20.42	19.99	65,456	55,413
Sep	19.67	+0.03	19.80	19.40	84,405	46,002
Oct	19.19	+0.05	19.33	19.10	42,420	18,486
Nov	18.96	+0.07	19.05	18.92	28,905	7,009
Dec	18.78	+0.05	18.88	18.77	40,861	8,414
Jan	18.72	+0.07	18.77	18.69	23,026	1,470
Total					421,504	151,185

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Aug	18.61	+0.28	18.67	18.22	43,472	22,819
Sep	17.93	+0.17	18.07	17.85	62,484	27,502
Oct	17.68	+0.15	17.78	17.52	16,367	6,155
Nov	17.55	+0.14	17.61	17.37	8,630	916
Dec	17.40	+0.09	17.50	17.29	12,056	1,289
Jan	17.32	+0.11	17.38	17.22	4,762	87
Total					159,861	57,938

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Aug	50.45	+0.24	51.00	50.25	27,883	15,993
Sep	51.25	+0.05	51.75	51.15	22,950	9,830
Oct	52.30	+0.10	52.85	52.25	10,702	2,176
Nov	53.25	+0.15	53.80	53.10	6,859	785
Dec	54.20	+0.15	54.40	54.10	18,888	2,241
Jan	54.80	+0.20	55.00	54.63	11,892	1,427
Total					124,300	32,828

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Aug	157.00	-1.00	158.75	156.00	1,345	7,738
Sep	160.00	-0.75	161.50	158.75	26,091	4,411
Oct	163.25	-0.50	164.50	161.75	11,773	1,645
Nov	165.00	-0.75	166.00	165.00	10,028	186
Dec	166.75	-0.50	167.50	166.25	8,051	343
Jan	168.00	-0.50	168.25	167.25	15,073	440
Total					12,556	14,944

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Open int	Vol
Aug	1.970	-0.030	2.000	1.965	15,246	6,642
Sep	2.020	-0.026	2.050	2.010	13,194	2,607
Oct	2.070	-0.014	2.085	2.067	9,977	698
Nov	2.160	-0.014	2.175	2.180	9,975	457
Dec	2.265	-0.007	2.275	2.260	14,559	580
Jan	2.265	-0.005	2.275	2.260	9,769	523
Total					109,301	12,289

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Aug	54.79	+0.23	55.20	54.35	43,368	15,774
Sep	54.92	+0.26	55.25	54.50	21,502	8,058
Oct	53.65	+0.92	53.80	53.50	8,385	4,488
Nov	51.90	-0.20	52.40	51.90	7,465	1,245
Dec	58.90	-0.25	57.25	58.85	4,107	438
Jan	57.02	-			1,959	103
Total					87,774	30,110

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Sep	102.55	-0.50	102.50	102.50	396	12
Nov	103.40	-0.50	103.50	103.40	2,348	70
Jan	105.40	-0.50	105.50	105.40	1,435	62
Mar	107.20	-0.50	107.30	107.20	619	9
May	108.75	-0.45	108.80	108.70	599	12
Jul	111.00	-0.55	-	-	125	-
Total					5,522	165

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	312/0	-3/0	315/0	312/0	3,380	3,055
Sep	320/2	-1/4	322/2	320/0	103,635	20,505
Dec	332/6	-1/4	335/2	332/4	149,135	19,380
Mar	337/4	-1/4	340/0	337/2	29,960	3,450
May	333/2	-0/6	334/4	333/0	1,190	190
Jul	320/4	-0/4	321/0	320/0	2,950	200
Total					298,249	46,780

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	235/6	-	237/6	234/6	33,025	13,135
Sep	225/4	-1/6	228/6	225/0	279,425	47,785
Dec	225/0	-1/2	228/0	224/2	579,650	79,495
Mar	233/6	-1/2	236/2	233/0	90,080	6,230
May	240/0	-1/6	242/4	239/6	28,630	2,235
Jul	243/6	-1/6	246/4	243/4	30,000	4,120
Total					1.085M	161,295

■ BARLEY LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Sep	100.00	+0.50	-	-	200	-
Nov	101.55	-0.20	101.50	101.40	412	100
Jan	102.65	-	-	-	28	-
Mar	104.00	-	-	-	38	-
May	105.75	-	-	-	1	-
Total					679	160

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	613/6	-10/0	624/0	611/4	18,300	8,755
Aug	608/0	-9/2	618/4	605/0	127,260	36,210
Sep	590/2	-7/0	598/6	587/4	64,405	10,185
Nov	578/6	-4/2	585/4	575/2	350,640	89,950
Jan	586/2	-4/2	592/0	583/0	42,730	4,895
Mar	595/0	-3/2	600/0	591/4	18,000	4,550
Total					658,605	162,016

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	24.30	-0.39	24.90	24.20	1,675	1,101
Aug	24.29	-0.40	24.92	24.18	20,469	4,459
Sep	24.27	-0.31	24.80	24.15	18,295	2,393
Oct	23.80	-0.20	24.25	23.65	11,280	814
Dec	23.45	-0.14	23.92	23.32	32,231	4,861
Jan	23.50	-0.13	23.92	23.38	3,430	271
Total					93,697	14,781

■ SOYABEAN MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	183.8	-1.4	185.0	182.5	3,811	2,037
Aug	183.1	-1.6	-	182.0	22,630	6,166
Sep	181.9	-1.0	182.8	180.7	18,262	1,215
Oct	179.5	-1.3	180.9	178.0	9,259	931
Dec	179.2	-1.4	180.7	178.0	24,449	3,615
Jan	179.6	-1.9	181.5	178.7	2,888	527
Total					85,356	15,290

■ POTATOES LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Nov	90.0	-	-	-	-	-
Mar	105.0	-	-	-	-	-
Apr	223.5	+17.7	222.0	208.0	1,078	145
May	225.0	-	-	-	-	-
Jun	107.5	-	-	-	-	-
Total					1,078	145

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	1388	+10	1386	1385	598	78
Aug	1347	+7	1348	1341	750	70
Sep	1365	+1	1365	1364	68	25
Oct	1390	+5	-	-	437	-
Jan	1403	+13	1400	1400	255	2
Apr	1425	+20	1425	1415	109	12
Total					2,275	187

	Close	Prev
BFI	1405	1402

Wool
Stockpile sales quotes for July and August under Garnaut disposal scheme have now been met, and September and October are coming under pressure. This is seen as a bullish sign ahead of resumption of Australian wool sales ten days from now. Semi-official and trade forecasts agree on the probability that next season will be a good one, with price averages usefully above this season and no chance of a return to the low points of 1993. Holidays in wool using countries mean that trading conditions at present are dull and there is also caution among manufacturers and retailers in assuming that prices will rise to new peaks from the start. Dollar weakness tends to cause some softness in the pricing of semi-manufactures and merchanted wool just at present.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	1019	-28	1035	1013	1,295	72
Sep	1027	-25	1053	1021	16,975	1,893
Dec	1037	-26	1058	1033	28,273	1,345
Mar	1058	-24	1073	1053	27,698	723
May	1063	-22	1077	1077	9,890	2
Jul	1089	-20	1081	1081	3,929	7
Total					102,193	4,092

■ COCOA CSCE (10 tonnes; $/tonnes)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	1384	-37	1404	1388	117	50
Sep	1398	-36	1422	1383	35,582	4,561
Dec	1437	-38	1468	1428	14,728	1,055
Mar	1470	-36	1490	1458	7,700	96
May	1480	-36	1481	1481	2,991	-
Jul	1510	-36	1493	1493	2,312	-
Total					70,037	5,764

■ COCOA (ICCO) (SDR's/tonne)

Jul 13	Price	Prev. day
Daily	1084.35	1081.06
10 day average	N/A	N/A

■ COFFEE LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	3780	-195	3820	3780	877	54
Sep	3808	-187	3880	3795	20,308	3,401
Nov	3809	-184	3885	3805	8,018	1,489
Jan	3815	-198	3880	3815	10,380	670
Mar	3805	-198	3845	3815	3,507	177
May	3810	-205	3820	3820	879	10
Total					43,977	5,811

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	232.75	-12.50	243.00	231.00	223	182
Sep	235.60	-9.25	249.50	234.00	24,572	17,891
Dec	228.25	+9.00	-	-	11,951	2,802
Mar	228.00	+8.00	-	-	5,578	2,713
May	228.40	+9.00	-	-	1,587	150
Jul	227.40	+9.00	-	-	334	12
Total					44,409	23,822

■ COFFEE (ICO) (US cents/pound)

Jul 13	Price	Prev. day
Comp. daily	216.28	212.44
15 day average	186.15	180.10

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Oct	11.96	+0.18	11.95	11.85	1,205	12
Jan	11.82	-	-	-	-	-
Mar	11.63	+0.14	-	-	90	-
Total					1,295	12

■ WHITE SUGAR LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Aug	342.80	+9.20	341.00	335.00	3,583	1,064
Oct	313.70	+2.30	314.00	310.50	10,799	775
Dec	310.30	+1.70	310.50	309.00	901	9
Mar	307.80	+2.00	308.00	305.50	3,744	6
May	307.10	+2.00	305.60	305.60	382	1
Aug	306.60	+2.10	-	-	348	-
Total					19,919	1,858

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Oct	11.70	+0.16	11.71	11.53	70,197	3,698
Mar	11.45	+0.13	11.45	11.30	29,773	1,794
May	11.36	+0.12	11.36	11.24	5,982	476
Jul	11.26	+0.11	11.26	11.18	2,486	117
Oct	11.19	+0.06	11.20	11.15	670	-
Mar	11.16	+0.08	-	-	86	20
Total					109,394	6,105

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Aug	68.90	+0.50	-	-	5	-
Oct	69.64	+0.59	70.00	67.80	8,058	751
Dec	69.88	+0.65	70.20	69.30	29,957	4,416
Mar	71.20	+0.80	71.50	69.80	7,342	598
May	71.95	+0.85	72.20	70.55	4,347	147
Jul	72.65	+0.60	72.65	71.50	2,233	157
Total					53,281	6,172

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	86.05	+1.20	85.00	83.60	93	163
Sep	89.55	+1.15	90.20	87.00	14,468	1,591
Nov	93.05	+1.20	94.00	90.50	3,472	302
Jan	96.55	+1.30	97.75	94.50	4,026	191
Mar	100.70	+1.45	101.50	99.00	2,415	94
May	104.70	+1.45	-	-	532	105
Total					25,168	2,446

VOLUME DATA
Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Jul 14	Jul 13	month ago	year ago
2123.2	2133.2	2032.0	1701.7

■ CRB Futures (Base: 4/9/56=100)

Jul 13	Jul 12	month ago	year ago
231.80	226.31	238.61	214.57

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Aug	69.175	+0.325	69.350	68.675	27,247	13,637
Oct	71.700	-0.050	71.750	71.175	20,379	6,944
Dec	71.400	-0.025	71.425	70.900	11,849	2,891
Feb	70.800	-0.050	70.800	70.200	9,157	1,290
Apr	71.875	-0.150	72.125	71.550	5,057	647
Jun	68.700	-0.150	69.000	68.700	1,116	72
Total					74,861	25,481

■ LIVE HOGS CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	47.025	+0.425	47.250	46.200	1,263	336
Aug	44.800	+0.250	45.100	44.000	10,588	3,914
Oct	42.050	+0.700	42.100	40.950	8,577	2,021
Dec	41.050	+0.600	41.050	40.100	4,437	439
Feb	40.450	+0.625	40.650	39.750	1,154	129
Apr	39.600	+0.650	39.600	39.050	896	70
Total					27,373	6,909

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	34.100	-2.000	35.600	34.100	512	195
Aug	33.350	-0.175	34.250	32.250	4,293	1,874
Feb	43.500	+0.975	44.525	42.300	2,407	571
Mar	43.000	+1.100	43.500	41.900	90	29
May	44.875	+2.000	44.875	43.250	49	2
Jul	46.150	+2.000	46.150	-	28	1
Total					7,381	2,771

LONDON TRADED OPTIONS

Strike price $ tonne — Calls — — Puts —

■ ALUMINIUM (99.7%) LME	Sep	Dec	Sep	Dec
1525	66	89	51	80
1550	54	78	64	93
1575	43	67	78	107
■ COPPER (Grade A) LME	**Sep**	**Dec**	**Sep**	**Dec**
2400	118	125	34	91
2450	86	101	53	116
2500				
■ COFFEE LCE	**Sep**	**Nov**	**Sep**	**Nov**
3600	475	653	314	444
3650	496	629	339	470
3700	425	606	364	497
■ COCOA LCE	**Sep**	**Dec**	**Sep**	**Dec**
1000	56	104	29	67
1050	32	81	55	94
1100	17	62	90	125
■ BRENT CRUDE IPE	**Aug**	**Sep**	**Aug**	**Sep**
1700	-	-	-	29
1750	46	91	-	47
1800	3	64	-	71

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Sep)

		+or-
Dubai	$16.58-6.69w	-0.155
Brent Blend (dated)	$18.24-8.26	-0.12
Brent Blend (Sep)	$17.92-7.94	-0.12
W.T.I. (1pm est)	$19.58-9.59	-0.245

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	$186-188	+2.0
Gas Oil	$154-155	-1.0
Heavy Fuel Oil	$98-100	+1.0
Naphtha	$168-171	+1.5
Jet fuel	$169-171	

Petroleum Argus Estimates

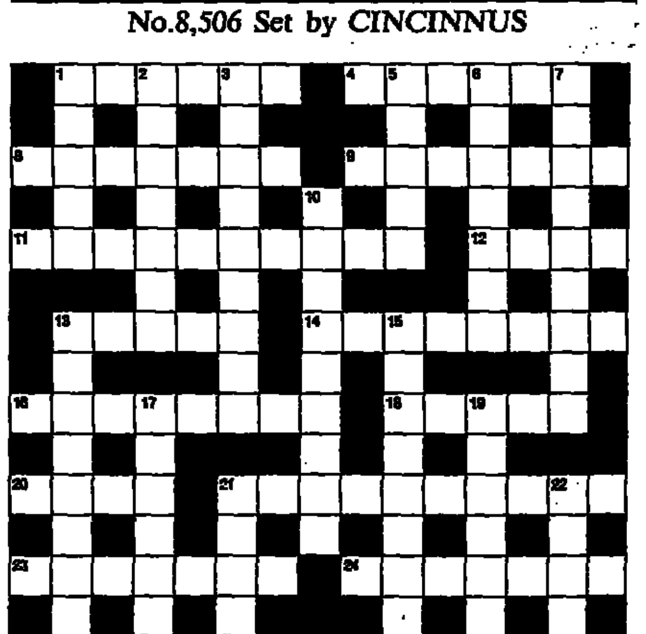
■ OTHER

Gold (per troy oz)♣	$383.15	-1.05
Silver (per troy oz)♣	517.50c	-5.00
Platinum (per troy oz.)	$408.25	
Palladium (per troy oz.)	$145.90	+0.15
Copper (US prod.)	114.0c	
Lead (US prod.)	34.80c	
Tin (Kuala Lumpur)	13.83m	-0.02
Tin (New York)	250.50c	+2.00
Zinc (US Prime W.)	Unq.	
Cattle (live weight)†	121.53p	+0.36*
Sheep (live weight)†♠	97.25p	-2.72*
Pigs (live weight)	74.76p	-2.03*
Lon. day sugar (raw)	$293.70	+0.40
Lon. day sugar (wte)	$335.00	-3.00
Tate & Lyle export	£299.00	
Barley (Eng. feed)	£98.50t	-0.5
Maize (US No3 Yellow)	$143.5	
Wheat (US Dark North)	£180.0	
Rubber (Aug)♥	84.00p	+2.5
Rubber (Sep)♥	82.00p	+1.0
Rubber KL RSS No1 Aug	318.0m	+3.5
Coconut Oil (Phil)§	$582.5z	
Palm Oil (Malay.)§	$492.5q	+5.0
Copra (Phil)§	$400.0	
Soyabeans (US)	£176.0q	-1.0
Cotton Outlook 'A' index	80.40c	
Wooltops (64s Super)	421p	-2

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. t July/Aug. q Aug. z Aug/Sep. w Sep. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change on week, provisional prices.

CROSSWORD

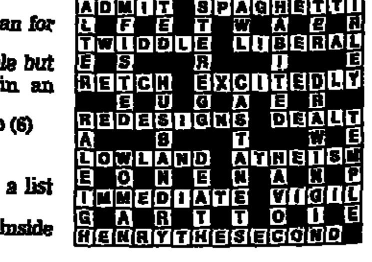
No.8,506 Set by CINCINNUS



ACROSS
1 Leader of Falangists, commanding officer, managed to get in (5)
4 Students about to make a mistake (4,2)
8 Delays caused by robberies (4-8)
9 I arrive for recreation in a warm coastal area (7)
11 Deceived by tall grass, the last was first (10)
12 Continuing pain teaches one to be content (4)
13 Top of class, given lines before gym, is seen in cell below (5)
14 Writer of features, say, is taking part (8)
16 A parish priest or a new church in Advent (8)
18 Behold a pair of bridge partners making advances (5)
20 Don't work for one's bread (4)
21 Discriminating individual (10)
23 A girl's name; is she French? (7)
24 Dash back with a German for part-exchange (5-2)
25 People who are agreeable but sycophantic initially in an Arab country (3-3)
26 Not so bad, but and herb (6)

DOWN
1 A chap coming up with a list of plants (5)
2 Car's taken by learner inside so as to be heard (7)
3 Drinks supplied from café spout? (4,2,3)
5 Scottish landowner in retreat before duke (5)
6 It's expensive to take a graduate in the first place (7)
7 Things bought in super cash deal (9)
10 Wheels round before appearing in another place (9)
13 Company with piety in abundance (9)
15 Continue doggedly, having been a metal trader without energy? (7,2)
17 Beams, in reverse alphabetical order (7)
19 Separated, and sure to be reunited (7)
21 It beats leguminous plants (5)
22 A sort of timber everyone's started burning (5)

Solution 8,505



JOTTER PAD

LONDON STOCK EXCHANGE

MARKET REPORT

Overseas buying drives FT-SE Index to 3,050

By Terry Byland,
UK Stock Market Editor

Buyers from continental Europe were out in force in London again yesterday, driving share prices ahead against a background of strong gains in bond markets following benign retail sales figures from the US. Confidence in the recovery in the UK economy, encouraged this week by the latest producer price data, has been emphasised for overseas investors by sterling's weakness against the German D-Mark, according to market strategists.

The closing reading showed the FT-SE Index at 3,050.4, for a gain on the day of 45.1. Equity chartists pointed out that the Footsie had recovered an important testing level, which was last seen in the first half of June. The December futures contract, which had lain the train for the explosion in the stock market, reached 3,078 in after hours trading.

The stock market was very firm from the opening and extended its gains on favourable trading comments from Marks and Spencer, the leading British high street retailer. Interest in the retail sector was also kindled by the bid by Tesco, second largest UK food retailer, for Wm Low, the Scottish food group. After market hours, Sainsbury, the most likely name to contest Tesco's move, said it would make a statement "in due course", thus whetting market appetites for a bid battle.

The first peak of the day came when the FT-SE gain moved to 30 points after the news that US retail sales had risen by only 0.6 per cent in June. This reduced worries over the strength of the US economic recovery, and therefore over the danger of a tightening of Federal Reserve policy.

But the final boost came from a strong rise in German bond futures which caused UK gilts to move ahead very sharply, leading to exhaustion of three recent taplet stocks. Led by a rapidly expanding premium on the Footsie December future contract, the stock market powered ahead in the final minutes of the session. Further encouragement came from the gain of 30 points in the Dow Industrial Average early in the new session on Wall Street.

Traders admitted that London marketmakers have been caught out by the sudden bullish turn in the market and that share prices had been subjected to a powerful "squeeze" as the big securities houses struggled to buy stock.

However, it was clear that the relative weakness in sterling has rendered UK stocks very attractive to the overseas buyers who have been making the running this week.

At the same time, London benefited from the relaxation of tensions in the dollar following both the US retail sales figures and also comments from Mr Tietmeyer, president of the Bundesbank.

Trading volume, as measured through Seaq, the electronic trading system, increased to 733.2m shares, with non-Footsie business making up a moderate 55 per cent of the total. On Wednesday, 720.8m shares traded were worth £1.43bn in retail, or genuine customer business.

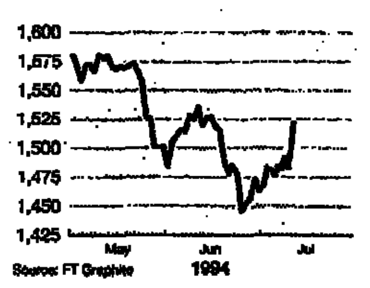
Oil shares continued to forge ahead on the back of strong buying from the US but most other dollar stocks lagged the market as the US currency remained uninspired. There were gains among defence industry stocks as the market absorbed the latest plans for the UK armed forces. However, leisure and consumer sectors stood out, as expectations of revived personal spending in the UK took hold.

Account Dealing Dates

*First Dealings:		
Jul 4	Jul 18**	n/a
Option Declarations:		
Jul 14	Jul 28	n/a
Last Dealings:		
Jul 15	n/a	n/a
Account Day:		
Jul 25	n/a	n/a

*New time dealings may take place from two days earlier. **New 10-day settlement system starts

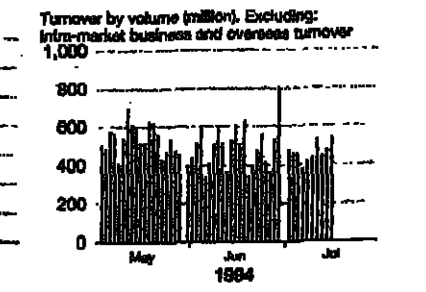
FT-SE-A All-Share Index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover



■ **Key Indicators**

Indices and ratios

FT-SE 100	3050.4	+45.1	FT Ordinary Index	2393.4	+35.1
FT-SE Mid 250	3529.7	+36.0	FT-SE-A Non Fins p/e	19.26	(18.99)
FT-SE-A 350	1534.2	+21.1	FT-SE 100 Fut Sep	3070.0	+55.0
FT-SE-A All-Share	1521.25	+19.82	10 yr Gilt yield	8.21	(8.35)
FT-SE-A All-Share yield	3.88	(3.92)	Long gilt/equity yld ratio:	2.16	(2.17)

Best performing sectors

1 Breweries ... +2.64
2 Retailers, Food ... +2.64
3 Extractive Industries ... +2.42
4 Water ... +2.29
5 Telecommunications ... +2.10

Worst performing sectors

1 Building & Constr. ... -0.22
2 Health Care ... +0.15
3 FT-SE SmallCap ex IT ... +0.32
4 FT-SE SmallCap ... +0.40
5 Merchant Banks ... +0.46

Retailer bid battle looms

Food retailers were enlivened by an affair that started the day looking like a gentlemen's arrangement but ended with the prospect of a full-scale takeover battle. Supermarket chain Tesco made a 225p a share agreed bid for Dundee-based chain William Low; shares in Low topped the bid, prompting immediate speculation of rival bids.

Analysts cited J. Sainsbury as having an interest because of its relatively small presence in Scotland. But the market was stunned by an announcement from the group that it was "reviewing" the bid and would make a formal statement shortly. This was followed, after the market closed by a formal statement that Sainsbury's was "requesting information from Wm Low and is considering its position". Mr Bill Myers, retail analyst with Yamaichi said: "I am very surprised - if it goes ahead it will be the first time ever that Sainsbury's has made a hostile bid." There was also talk of Argyll, owner of Safeways supermarkets, making an offer although the group said there was "no foundation at all in the idea." Low's shares soared 57 to 226p, Argyll gained a penny to 236p, Sainsbury's rose 10½ to 399½p and Tesco 10½ to 232½p.

GUS disappoints

Full-year profits from Great Universal Stores were largely as forecast but the accompanying statement failed to include the long anticipated share buy-back. Disappointed analysts downgraded recommendations and the shares tumbled 21 to 566p on exceptionally high turnover of 7.2m.

Profits came in at £518.9m against forecasts of £517m and last year's £475m. The final dividend increased to 9p from 7.56p previously.

Nevertheless, with analysts estimating the cash pile at around £1.5bn the main shock was that the company declined to buy back some of its shares. Buy-back hopes have seen the share price tick up by 6 per cent in the past five trading days and traders expected profit-taking to continue if strong hints of a buy back were not given.

BZW took the stock off its buy list with analyst Mr Tony Shiret saying "They need to do something more positive about realising shareholder value." And Hoare Govett moved its recommendation to overvalued while shading its current year forecast to £575m. Analyst Ms Emma Burdett said: "Clearly there is disappointment that there was no buy-back. Medium term it remains a possibility but any move may now be discounted in the share price."

Rank upgraded

Shares in Rank Organisation, jumped 13 to 405p, in heavy trading of 7.1m after analysts upgraded full year profit expectations, following robust interim results.

Profits rose by £37.3m to £127.9m ahead of market expectations, and market watchers pointed to the stronger than anticipated contribution from Rank Xerox in which Rank holds a 49 per cent stake.

Smith New Court lifted its full year forecast by £27m to £362m and urged investors to buy the stock. Nomura lifted its forecast by £20m to £360m.

NatWest Securities also raised its forecast and is now predicting profits of £343m.

Thorn EMI, closed unchanged at 1074p having spent most of the session lower on concern that it might not announce demerger plans at today's annual meeting.

Fading worries of a summer price war among tour operators boosted Airtours 8 to 470p.

Food and drinks group Allied-Lyons gained 13 to 566p after forming a joint venture with Kunick to launch outlets that combine eating and video and gaming machines. Kunick improved ¾ to 14¼p.

Retailer Marks & Spencer lifted 10½ to 416½p after an upbeat annual meeting and a recommendation from chart analysts at James Capel who saw a target of 480p over the next few months.

Glaxo rallied 6 to 557p on relief that the pharmaceuticals group was getting out of financial management and disbanding its in-house investment arm following big losses in bonds. There was strong speculation that PDFM, the investment arm of UBS, was poised to take on a significant amount of Glaxo's portfolio.

Media conglomerate Pearson recovered 26 to 625p on hopes that its venture with Time Warner and MAI will win the franchise for the new fifth TV channel. Some analysts cautioned that although it had a very good chance it would be trying to take a slice of an advertising pie that was already keenly contested. The shares also benefited from some positive analysis from Hoare Govett and talk of a recommendation from Goldman Sachs.

Bank note printer De La Rue rose 22 to 951p as rumours resurfaced that the the company might secured a contract for printing US dollars. De La Rue declined to comment.

A firmer oil price boosted Enterprise Oil and BP. The former improved 11 to 431p, while the latter hardened 7 to 402p.

Defence related issues rose strongly after the UK government announced defence orders worth about £2.4bn.

Engineering group Vickers, which secured an £800m order to supply 259 battle tanks firmed 4 to 174p. Ship builder Vosper Thornycroft which is to supply seven minehunters to the Royal Navy jumped 22 to 729p. British Aerospace, now lead contractor on the mid-life upgrade for the Tornado aircraft, added 7 at 490p.

Others to benefit included Smiths Industries 6 up at 439p, VSEL, 6 up to 855p, and GEC, 8 ahead at 287p.

British Steel was boosted by a profits upgrade from its broker UBS. The shares put on another 4 to 159p as the securities house raised its current-year profits estimate by £80m to £350m and penciled in profits of £850m for the year 1997/8. UBS cited evidence of recovery in European steel markets, and a positive trading statement earlier this month from stainless steel company Avesta of Sweden, in which British Steel holds a 40 per cent stake. NatWest Securities raised its forecast to £400m on Wednesday.

A stock overhang in Blue Circle, which this week hosted a successful analysts visit, left the shares trailing 3 to 317p. Utilities were boosted by the strong performance in bond markets. Thames Water aded 8 to 459p, while Severn Trent finished 11 ahead at 500p. South West gained 15 to 510p.

Electricity stocks were also helped by the decision of the electricity regulator not to reform the electricity pool pricing system. Norweb jumped 17 to 651p, while Northern Electricity advanced 17 to 676p.

MARKET REPORTERS:
Peter John,
Joel Kibazo.

■ Other statistics, Page 20

NEW HIGHS AND LOWS FOR 1994

NEW HIGHS (28).

BLDG MATLS & MCHTS (1) CAMAS, ELECTRNC & ELECT EQUP (4) Kershaw (A), Nokia Prf., Pifco, TGI, ENGINEERING (1) Brit. Steel, EXTRACTIVE INDS (6) Anglo Am. Coal, Cons. Murchison, Gencor, Impala Platinum, Western Areas, Willoughby's, FOOD MANUF (1) Kerry A, GAS DISTRIBUTION (1) Pogas, INSURANCE (1) Lombard, INVESTMENT TRUSTS (6) LEISURE & HOTELS (1) Northern Lab. Deb. 98/01, PRTNG, PAPER & PACKG (1) Sappi, RETAILERS, FOOD (1) Low (W), TRANSPORT (1) P&O 5½pc. Pfd., AMERICANS (1) Amer. Cyanamid, SOUTH AFRICANS (1) SASOL.

NEW LOWS (101).

BUILDING & CNSTRN (6) AMEC 6½p Prf., Crest Nichol, Lovell (Y.J.), Raine, Tay Homes, Tilbury Douglas, BLDG MATLS & MCHTS (1) Wickes, CHEMICALS (1) Cementone, DISTRIBUTORS (1) Enterprise Comp., ELECTRNC & ELECT EQUP (2) Gestetner, Tunstall, ENG. VEHICLES (1) Syltone, EXTRACTIVE INDS (2) Orion, Portman, World Fluids, FOOD MANUF (1) Canadian Pizza, HEALTH CARE (3) Bespak, Tamaris, Tepnel Diagnostics, HOUSEHOLD GOODS (1) Fine Decor, INSURANCE (21) INVESTMENT TRUSTS (12) INVESTMENT COMPANIES (8) LEISURE & HOTELS (1) Prism, MEDIA (4) Barbour Index, CentreGold, Sterling, Trinity Intl., OIL EXPLORATION & PROD (1) Europe Energy, OTHER FINANCIAL (8) Energy Capital, London Forfaiting, Rathbone Bros., OTHER SERVS & BUSNS (1) Brit. Bloodstock, PHARMACEUTICALS (1) Utd. Energy Wrts., PRTNG, PAPER & PACKG (3) Brit. Thornton, Clondalkin, Inveresk, PROPERTY (8) Bolton, Eleco, Flecal, Follets, Peel, Smith (J), RETAILERS, GENERAL (8) Ashley (L), Betterware, Carpetright, Colorvision, DFS, Rosebys, SUPPORT SERVS (8) BSM, DRS Data Res., Learmonth & Burchett, MR Data Management, Macro 4, Microgen, Penna, Quality Software, Vistec, TEXTILES & APPAREL (3) Claremont Garments, Jones Stroud, Leeds, WATER (1) York Waterworks, AMERICANS (3) Anheuser-Busch, Colgate-Palmolive, Morgan (JP).

EQUITY FUTURES AND OPTIONS TRADING

Derivatives markets moved ahead strongly in heavy trading towards the close of official business yesterday, writes *Terry Byland*. Dealers said that the impetus had come from sudden demand for German bond futures, but this quickly produced demand for UK bond and equity futures.

At the official close of trading, the FT-SE September future contract stood at 3,070, a premium of 23 points to the cash market, with fair value now at around 5 points. Later trading saw a further gain.

The demand from continental European buyers was sparked off by the favourable response to the latest retail sales figures from the US, and from the gains in US Federal bonds which followed the announcement.

In traded options, there was increased activity in the FT-SE contract on the impending expiry of the July option series volume jumped to 17,265 from just over 12,000 in the previous session and the Euro FT-SE option recorded 5,033 deals. The sector as a whole traded 51,056 contracts against 31,343 on Wednesday. Among the individual stocks, Hanson topped the actives list with 8,372 contracts. Food stocks, alerted by Tesco's bid for Wm Low, attracted attention, Tesco trading 3,167 contracts, Argyll 3,260 and Storehouse 1,509. Sainsbury, regarded as a potential rival bidder for Wm Low, traded 1,028.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	3012.0	3070.0	+55.0	3080.0	3007.0	14853	49801
Dec	3037.0	3080.0	+55.0	3044.5	3037.0	450	1353

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

Sep	3505.0	3535.0	+45.0	3530.0	3500.0	91	4385

■ FT-SE MID 250 INDEX FUTURES (OMLX) £10 per full index point

Sep	-	3535.0	-	-	-	-	636

All open interest figures are for previous day. † Exact volume shown.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3046) £10 per full index point

Calls 6,280 Puts 7,328

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Aug	202	12	159½	19½	121	30½	88	47	69½	69½	39	98	24	132	13½	171½
Sep			182	38½			113	68½			61½	116			28½	162
Dec			229½	78			168	112			113	157			74	215½
Mar†			267½	102			207	138½			155½	183½			113½	236

Calls 2,731 Puts 2,407 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

TRADING VOLUME

■ **Major Stocks Yesterday**

	Vol. 000s	Closing price	Day's change
ASDA Group†	4,300	57¼	+1½
Abbey National†	4,200	409	+2
Albert Fisher	1,000	46	-1
Allied-Lyons†	3,800	566	+13
Anglian Water	1,000	478	+3
Argos	868	340	+2

FT - SE Actuaries Share Indices — The UK Series

	Jul 14	Day's chge%	Jul 13	Jul 12	Jul 11	Year ago	Div. yield%	Earn. yield%	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	3050.4	+1.5	3005.3	2963.9	2983.8	2837.1	4.06	6.89	17.15	68.96	1141.16
FT-SE Mid 250	3529.7	+1.0	3493.7	3465.9	3473.9	3230.0	3.49	5.86	20.53	72.61	1304.74
FT-SE Mid 250 ex Inv Trusts	3534.1	+1.0	3498.4	3471.1	3478.9	3246.4	3.64	6.33	19.12	75.32	1303.03
FT-SE-A 350	1534.2	+1.4	1513.1	1494.3	1502.8	1421.8	3.93	6.65	17.83	33.21	1174.87
FT-SE SmallCap	1788.01	+0.4	1780.89	1777.31	1778.68	1634.46	3.15	4.35	30.16	29.85	1376.64
FT-SE SmallCap ex Inv Trusts	1759.94	+0.3	1754.33	1752.58	1754.32	1636.01	3.33	4.80	27.88	30.69	1358.22
FT-SE-A ALL-SHARE	1521.25	+1.3	1501.43	1483.88	1491.78	1408.44	3.88	6.49	18.36	32.42	1185.13

■ **FT-SE Actuaries All-Share**

	Jul 14	Day's chge%	Jul 13	Jul 12	Jul 11	Year ago	Div. yield%	Earn yield%	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(18)	2650.71	+1.4	2614.65	2572.95	2570.46	2193.20	3.43	4.42	28.43	47.41	1059.36
12 Extractive Industries(4)	3761.86	+2.4	3672.91	3656.88	3691.16	3157.20	3.39	5.35	23.39	54.24	1026.54
15 Oil, Integrated(3)	2604.06	+1.2	2573.98	2627.38	2520.69	2111.90	3.53	4.54	27.39	50.54	1056.74
16 Oil Exploration & Prod(11)	1965.27	+1.3	1940.65	1908.60	1891.17	1847.20	2.46	1.24	80.00†	20.34	1126.81
20 GEN MANUFACTURERS(284)	1993.22	+1.2	1969.30	1950.13	1952.73	1767.80	3.81	4.66	26.37	40.95	1005.70
21 Building & Construction(32)	1153.88	-0.2	1156.45	1154.02	1161.37	1022.30	3.34	4.71	27.22	20.64	896.35
22 Building Matls & Merchs(31)	1980.56	+0.7	1966.08	1951.08	1961.96	1623.80	3.71	4.03	31.25	45.09	927.04

■ Hourly movements

■ FT-SE Actuaries 350 Industry baskets

LONDON EQUITIES

LIFFE EQUITY OPTIONS

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	63	2	7
Other Fixed Interest	9	3	3
Mineral Extraction	66	51	83
General Manufacturers	189	99	365
Consumer Goods	55	35	101
Services	117	70	318
Utilities	36	3	6
Financials	143	59	167
Investment Trusts	245	10	211
Others	57	40	39
Totals	980	372	1300

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

Calls: Aminex, Auto Sec Pf, Blackwd Hodge Pf, Brent Walker Pf, Costain, Division Grp, Minmet, Ovoca Res, Regent Cp, Rhino, Tullow, Wembley, World Fluids. Puts: Aminex, Minmet, Ovoca Res, Tullow, World Fluids. Puts & Calls: Mirror Grp, Rhino.

LONDON RECENT ISSUES: EQUITIES

RIGHTS OFFERS

FINANCIAL TIMES EQUITY INDICES

FT GOLD MINES INDEX

BANKS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl		£21[illegible]	-⅛	£25½	£20[illegible]	6,208	5.1	♦
ANZ A$		191¼	+3¼	278¼	179¼	2,662	4.8	14.8
Abbey National	♣N□	409	+2	523	381	5,368	4.3	13.7
Allied Irish I£	♣N□	280	—	314	234	1,647	5.0	9.5
Anglo Irish I£	♣N□	57xd	+2	*70	50	196.2	7.5	10.4
Asahi Y		900¼	+8¼	919¼	638	18,571	0.6	♦
Banco Bil Viz Pta		£14[illegible]	+[illegible]	£16[illegible]	£14[illegible]	3,380	5.7	6.6
Banco Sant Pta		£30½	—	*£30½	223¼	4,608	4.7	10.8
Bk Ireland I£	♣□	271xd	—	*318	246	1,277	4.8	7.8
Bank Scotland	♣N□	185	+6	247	172½	2,157	3.4	15.1
9¼pc Pf		119	+½	141½	114	119.8	9.7	-
9¾pc Pf		123½	+¼	148½	119¼	128.5	8.9	-
Barclays	♣N□	539	+7	640	487	8,769	3.5	22.3
Dai Ichi Kan Y		£12[illegible]	+[illegible]	£12[illegible]	£10[illegible]	37,760	0.4	68.9
Deutsche DM		£299[illegible]	+[illegible]	£344¼	£270[illegible]	14,224	2.0	-
Espirito Santo		£18[illegible]	+[illegible]	£28[illegible]	£17[illegible]	208.8	4.3	4.5
First Nat Fin	N□	65	—	*90	60	107.8	2.9	-
6.3pc Cv Pf		78xd	-1	*90	77	5.24	10.1	-
7pc Cv Pf		128½xd	-1	171	123	61.5	6.8	-
Fuji Bank Y		1400¼	+6¼	1540¼	1182½	43,113	0.4	♦
HSBC HK	N□	712½	+7½	1133	680	12,488	4.1	10.3
HSBC (75p Shs)	N□	698	+9	1113	680	6,902	4.2	10.1
Lloyds	N□	538	+2	680	519	6,900	5.2	11.3
Mitsubishi Y		£16[illegible]	-[illegible]	£19[illegible]	£15[illegible]	48,824	0.3	♦
Mits Tst & Bk Y		1028	-9¼	1169¼	887½	12,317	0.5	16.5
Mitsui Tst & Bk Y		788½	+19½	878	514	9,413	0.7	38.8
Nat Aust A$	†	525xd	+4¼	620¼	488¼	7,024	4.5	12.8
NatWest	N□	454	+9	622	421	7,554	5.1	10.4
Ottomane FFr		223½	—	339	223½	117.5	6.2	♦
Ryl Bk Scotland	♣†N□	397½xd	-4½	529	382½	3,168	3.8	18.0
Sakura Y		[illegible]	+[illegible]	[illegible]	[illegible]	38,193	0.6	55.9
Sanwa Y		£14[illegible]	-[illegible]	£15¼	£11[illegible]	40,762	0.4	♦
Standard Chartd	N□	257	+5	*359¼	223	2,469	2.9	11.3
7 3/8pc Pf		94	+½	108½	89¼	94.0	9.8	-
Sumitomo Y		£13[illegible]	-[illegible]	£16[illegible]	£11½	41,480	0.4	28.4

BREWERIES

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

GAS DISTRIBUTION

HEALTH CARE

HEALTH CARE - Cont.

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

LEISURE & HOTELS - Cont.

OIL, INTEGRATED

PROPERTY - Cont.

SPIRITS, WINES & CIDERS

TRANSPORT - Cont.

SUPPORT SERVICES

WATER

OTHER FINANCIAL

AMERICANS

LIFE ASSURANCE

MEDIA

OTHER SERVICES & BUSINESSES

CANADIANS

Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's
Echo Bay ♥	705½p	-½	986¼p	671½p	789.7	0.7
Gulf Can ♥	242¾p	-¼	243p	169¼p	396.8	-
Hawker Sid ♥	6⅝	—	13⅜	7⅜	70.2	8.4
Hudson's Bay ♥	12½	—	20⅞	12⅛	373.1	3.6
Imperial Oil ♥	19¼	—	24⅜	18⅞	3,732	4.8
Inco	16⅞	—	18⅞	14⅝	1,927	0.6
Nova Corp Alberta	627p	+17	673p	451p	1,580	2.3
Rio Algom ♥	10⅝	—	12⅞	10⅜	465.3	2.8
Royal Bk Can	12⅞	—	15⅞	12	4,047	4.5
TVX Gold ♥	375¾p	-¼	473½p	352½p	594.9	-
Toronto-Dom	9⅞xd	—	11⅛	9⅝	2,994	4.1
Trans Can Pipe ♥	7⅞	—	10⅞	7⅞	1,414	5.4

INVESTMENT COMPANIES

OTHER INVESTMENT TRUSTS

The following investment trusts are not eligible for inclusion in the FT-SE Actuaries Share Indices.

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service

MERCHANT BANKS

OIL EXPLORATION & PRODUCTION

PHARMACEUTICALS

PRINTING, PAPER & PACKAGING

RETAILERS, FOOD

RETAILERS, GENERAL

TELECOMMUNICATIONS

TEXTILES & APPAREL

SOUTH AFRICANS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£26¼	—	£27½	£13½	1,678	2.9	18.8
Barlow	Z	24⅝xd	+⅛	25⅞	£3⅞	921.5	0.7	-
Gold Fids Prop R		103	+6	108	78	10.5	9.7	9.1
MK Props	a	85	—	95	85	3.42	10.5	34.9
SASOL	♥	385	+35	385	280	2,181	4.0	-
SA Brews		£12⅛	+¼	£15⅞	£10	3,358	2.3	19.8
Tiger Oats	†	600xd	—	638	538	902.2	2.6	12.7
Tongaat-Hulett		678xc	+16	*739¾	427½	598.9	2.3	18.7

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- • Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ⊕ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below.
- ✻ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♦ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on IMR "Headline Earnings"
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualise yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xp ex capital distribution.

TOBACCO

TRANSPORT

LEISURE & HOTELS

PROPERTY

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Please quote the code FT6855. Ring 081-770 0770 (open 24 hours including weekends) or Fax 081-770 3822. If calling from outside the UK, ring +44 81 770 0770 or fax +44 81 770 3822. Reports will be sent the next working day, subject to availability.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Thornton Unit Managers Ltd - Contd.

[illegible]

Waverley Unit Tst Mngmt Ltd (1000)F

13 Charlotte Sq, Edinburgh

[illegible]

Whittingdale Unit Tst Mngmt Ltd (0830)F

2 Honey Lane, London EC2V 8BT 071-600 8482

[illegible]

Woolwich Unit Trust Managers Ltd (1700)H

2 White Oak Square, Swanley BR8 7AG 081-298 4000

Stockmarket Fd	76.30	76.30	81.18	+0.80	1.99

OTHER UK UNIT TRUSTS

	Bid Price	Offer Price	+ or -	Yield Gross

Baillie Gifford & Co Ltd

Int'l Eqt Jun 30	779.4	802.0	—	0.95

Baring Investment Mngmt Ltd

155 Bishopsgate, London EC2M 3XY

071-214 1050 (general enquiries) 071-214 1004 (dealing)

Charitable Funds

UK Growth & Income	[illegible]	[illegible]	[illegible]	3.1
Income Plus	48.18	50.27	[illegible]	8.0

CAF – Charity Money Management

48 Pembury Rd, Tonbridge TN9 2JD 0732 770114

Balanced Growth	[illegible]	[illegible]	—	4.31
Income	[illegible]	[illegible]	—	8.63

CIM Unit Trust Managers Ltd

For James Capel see HSBC Asset Mngt Europe Ltd

Cent. Bd. of Fin. of Church of England‡

2 Fore Street, London EC2Y 5AQ 071-588 1815

[illegible]

INSURANCES

	Bid Price	Offer Price	+ or -	Yield Gross

Abbey National Life Plc

201 St Vincent Street, Glasgow 041 305 6000

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	112.3	118.3	+0.7	-
UK Equity	111.9	117.8	+0.6	-
International	118.6	124.9	+0.3	-
Deposit	101.5	106.9		-
Pension Managed	112.3	118.3	+0.6	-
Pension UK Equity	110.6	116.5	+1.1	-
Pension International	121.3	127.7	+0.4	-
Pension Deposit	103.9	109.4	—	-

Acuma Life Assurance Ltd

42 Southampton Bridge Road, London SE1 9HE 071 960 5433

[illegible]

AEGON Life Assurance Co (UK) Ltd

AEGON Hse, Lanark Sq, London E14 9RX 071-538 8800

[illegible]

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Scottish Mutual Assurance plc
109 St Vincent St, Glasgow 041-248 6321

	Bid Price	Offer Price	+ or -	Yield Gross
Flex End Jul 12	1565.0	1644.3	—	—
Pen Mngd Jun 30	1380.1	1529.0	—	—
Safety Fund	228.7	240.8	+1.20	—
Growth Fund	225.6	237.5	+2.30	—
Opportunity Fund	218.8	230.4	+2.50	—
Worldwide Venture Fnd	179.1	188.6	+1.60	—
UK Equity Fund	234.9	246.7	+3.90	—
UK Smaller Cos. Fund	221.3	233.0	+2.8	—
European Fund	342.9	361.0	-1.60	—
Far Eastern Fnd	342.4	360.5	-0.90	—
Japanese Fnd	152.6	160.6	+1.80	—
North American Fund	229.1	241.2	+2.10	—
International Fund	286.3	301.4	+1.90	—
Gilts & Fxd Int Fund	194.8	205.1	+0.5	—
Index-Linked Fund	173.4	182.6	-0.50	—
Property Fund	132.2	139.2	—	—
Cash Fund	172.5	181.6	—	—
Pens Safety Fnd	276.2	290.7	-1.50	—
Pens Growth Fnd	241.2	253.9	+2.70	—
Pens Opportunity Fnd	239.8	252.5	(2)	—
Pens W'wide Venture Fnd	189.1	199.1	+1.70	—
Pens UK Equity Fnd	233.9	246.3	+4.00	—
Pens UK Smlr Co's Fnd	200.3	210.9	+1.80	—
Pens European Fnd	316.0	332.7	+1.30	—
Pens Far East Fnd	397.4	418.8	+1.60	—
Pens Japanese Fnd	150.6	158.6	+1.8	—
Pens Nth American Fnd	289.0	304.3	+2.50	—
Pens International Fnd	296.8	312.3	+2.00	—
Pens Gilts/Fxd Int Fnd	233.2	245.6	+0.20	—
Pens Index-linked Fnd	179.1	188.6	-0.50	—
Pens Property Fnd	147.1	154.9	—	—
Pens Cash Fund	214.1	225.4	—	—
Pens Halifax Fnd	229.6	241.7	—	—

Scottish Provident Group
6 St Andrew Sq, Edinburgh 031-556 9181

Scottish Provident Institution Funds

Life Funds

	Bid Price	Offer Price	+ or -	Yield Gross
With-Profits	112.2	118.2		—
Managed	261.0	274.9	+0.9	—
Blue Chip	138.5	145.9	+0.7	—
Equity	270.0	284.3	+1.3	—
International	283.2	298.2	+1.3	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sun Alliance Group - Contd.

Property Growth Life Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Investment		347.4	+1.5	—
Investment (A)		327.6	+1.4	—
Abbey National		443.1	—	—
Abbey National (A)		458.6		—
Actuarial		381.7	+2.1	—
Agricultural		808.9	+0.1	—
Agricultural (A)		775.2	+0.1	—
Building Society		223.3		—
Equity		1169.2	+7.4	—
Equity (A)		1140.6	+7.1	—
Gilt Edged		373.2	-0.8	—
Gilt Edged (A)		373.9	-0.8	—
International		689.0	+2.0	—
Money		403.5		—
Money (A)		449.5	+0.1	—
Property		404.9	+0.1	—
Property (A)		405.3	+0.1	—
Atlantic Investment		741.6	—	—
Atlantic All Weather	691.0	727.4	—	—

Property Growth Pension Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Managed (Acc)		1128.5	+5.5	—
Managed (Cap)		800.4	+2.8	—
Building Society (Acc)		492.0	+4.7	—
Building Society (Cap)		482.3	+0.1	—
Cvsr Mkt Sec (Acc)		699.9	+0.1	—
Cvsr Mkt Sec (Cap)		480.7		—
Equity (Acc)		926.3	+6.9	—
Equity (Cap)		728.3	+4.1	—
Gilt Edged (Acc)		467.1	-0.8	—
Gilt Edged (Cap)		330.6	-0.5	—
International (Acc)		339.0	+1.2	—
International (Cap)		246.0	+0.8	—
Property (Acc)		722.0	+0.1	—
Property (Cap)		374.6		—
Pension Fund Units		807.1	+0.7	—
Immediate Annuity		326.1	—	—
Retirement Annuity		1235.6	—	—

Sun Life Unit Assurance Ltd
St James Barton, Bristol BS99 7SL 0272 426911

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Acc	882.1	928.6	+4.0	—
Property Acc	370.9	390.5	-0.2	—
Equity Acc	1398.1	1471.7	+9.7	—
Fixed Interest Acc	383.4	403.6	+1.1	—
Cash Acc	310.7	327.3		—
International Acc	595.2	626.6	+1.4	—
[illegible]	273.0	287.4	+1.4	6.06

OFFSHORE INSURANCES

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

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Scrimgeour Kemp-Gee Mngmt., Jersey

TSB Trust Funds (CI)

Warburg Asset Management Jersey Ltd

Worldinvest (Managers) Jersey Ltd

LUXEMBOURG (SIB RECOGNISED)

Abtrust Fund Mngrs Luxembourg SA (u)

American Phoenix Investment Portfolios (u)

Foreign & Colonial Emerging Markets Ltd (u)

Frontrunner I (u)

Gartmore Luxembourg SA (u)

HSBC Investment Funds Luxembourg SA (u)

Henderson Management SA (u)

S.G. Warburg Asset Mngmt Lux SA - Contd.

LUXEMBOURG (REGULATED)(**)

ABN AMRO Funds

Aetos International Umbrella Fund (u)

HSBC MAPT Luxembourg SA

Lloyds Bank Luxembourg (u)

Lombard Odier Invest (u)

"WINTERTHUR" Fund Mngmt Co (Lux) SA

World Bond Fund-SICAV (z)

World Trust Fund

Yamaichi Advanced Technology Fund

Yamaichi 1992 DM Fund SICAV (z)

OTHER OFFSHORE FUNDS

Europe 1992

S.G. Europe Obligations SA

Jardine Fleming Unit Trusts Ltd - Contd.

Johnson Fry Securities Ltd

Putnam Emerging Funds Ltd

Putnam International Advisors Ltd

CURRENCIES AND MONEY

MARKETS REPORT

Modest rise for dollar

Rumours of a US invasion of Haiti and a firmer tone to the Treasury bond market helped the dollar finish stronger yesterday, *writes Philip Gawith.*

Analysts said the US currency had also benefited from a technical bounce-back which did not signal an interruption of the recent downward trend. The dollar is currently about 6 per cent lower against the yen and the D-Mark since the beginning of June.

The US currency finished in London at DM1.5457 from DM1.5383 and at Y98.28 from Y98.1550.

The D-Mark had a quiet day with trade muted by holidays with the French market closed for Bastille day.

The Dutch central bank cut its special advances rate to 4.80 per cent from 4.90 per cent for a four day money market pact it will launch on Friday.

The dollar's firmer tone helped the sterling index rise to 79.2 from 79. The pound finished slightly higher against the D-Mark at DM2.4174 from DM2.4089. Against the dollar, it closed at $1.564 from $1.566.

■ For dollar bulls, the best news lay in the firmer tone of bond markets, both in the US and Europe. In recent months, one of the factors behind D-Mark strength – and dollar weakness – has been investors selling holdings of European bonds and putting the proceeds into D-Mark deposits.

"If this is a turn in the bond markets, it should be positive for the dollar," said Mr Chris Turner, currency strategist at BZW. "Anything that takes upward pressure off the D-Mark would have to be good for the dollar."

Part of the improved tone of bond markets may be attributable to improved interest rate expectations. Contrary to the rumours of an imminent and aggressive Fed tightening, which gripped markets on Wednesday, the December eurodollar contract rose by 13 basis points to finish at 94.07. This movement suggests the market is becoming less bearish in its interest rate outlook.

Mr Turner said a firmer dollar required that the Fed either moved to a restrictive monetary stance, from the more neutral position currently; or that evidence emerged about a slowdown in the economy, which would vindicate existing policies. The performance of the bond markets suggests the market believes it may be getting the latter.

Before the Haiti rumours emerged, the dollar had failed to gain any support from the release of the June retail sales figures which rose by 0.6 per cent, in line with market expectations. May retail sales figures were also revised down so the case for higher rates was, if anything, diluted.

Of more encouragement for dollar bulls – and testifying to the confused state of the market – was the White House mid-session review which said the US was approaching full capacity slightly faster than expected. Mr Adrian Cunningham, senior currency economist at UBS in London, commented: "If the White House is thinking it, then almost certainly the Federal Reserve is thinking it too."

The dollar received some support from Mr Hans Tietmeyer, the Bundesbank president. He told a lunch in Frankfurt that "the world economy has an interest in an internally and externally stable dollar."

But he made clear that "the prime responsibility for the dollar's strength lies in the US itself. The thesis current at the beginning of the seventies – it's our currency but your problem – is clearly too short-sighted," the Bundesbank president said. "It didn't do the US much good at the time either," he added.

The dollar received further support later from Mr Lloyd Bentsen, the Treasury secretary, when he said the US wanted a stronger dollar and would work with the Fed to achieve it.

Mr Cunningham said there were certainly investors who felt the dollar offered reasonably good medium term value at current levels. But it remained vulnerable on the downside against the yen, he said, so long as the US administration continued its tough talk on trade issues with Japan - most recently from Mr Jeffrey Garten, the US undersecretary of Commerce.

■ The Swedish krona weakened after hearings in parliament's finance committee failed to provide the market with any assurance that the government has a workable strategy for reducing state debt. The krona closed in London at SKr4.961 against the D-Mark from SKr4.34.

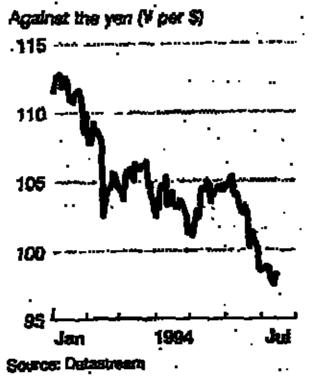
The market was more positive in its response to to Italy's deficit proposals to cut L5trn this year and L40trn next year. The lira finished slightly firmer at L990.5 from L992.5.

■ Although volumes were less buoyant than on Wednesday, short sterling futures continued their recent recovery. The December contract traded 38,678 lots to finish 15 basis points higher at 94 from 93.85. Euromarks were also firmer, with the December contract finishing at 95.12 from 95.05.

The Bank of England provided UK money markets with £1.091bn assistance after forecasting a shortage of £1.15bn. Overnight money traded between 4 and 5¾ per cent. German call money eased slightly to 4.80/4.85 per cent from 4.90/5 per cent.

Dollar

Against the yen (¥ per $)



Source: Datastream

■ **Pound in New York**

Jul 14	Latest	Prev. close
£ spot	1.5620	1.5640
1 mth	1.5615	1.5635
3 mth	1.5610	1.5632
1 yr	1.5589	1.5613

■ **OTHER CURRENCIES**

Jul 14	£	$
Hungary	150.522 - 150.769	100.110 - 100.210
Iran	2743.00 - 2745.00	1748.00 - 1750.00
Kuwait	0.4626 - 0.4638	0.2960 - 0.2965
Poland	34758.6 - 34807.9	22230.0 - 22250.0
Russia	3154.58 - 3160.84	2017.00 - 2021.00
U.A.E.	5.7269 - 5.7404	3.6715 - 3.6735

POUND SPOT FORWARD AGAINST THE POUND

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jul 14		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£
Belgium	(BFr)	100	19.08	16.65	4.858	2.033	4810	5.445	21.24	499.3	400.4	24.09	4.097	2.009
Denmark	(DKr)	52.41	10	8.725	2.545	1.066	2521	2.854	11.13	261.7	209.8	12.63	2.147	1.053
France	(FFr)	60.07	11.46	10	2.917	1.221	2890	3.271	12.76	299.9	240.6	14.47	2.461	1.207
Germany	(DM)	20.59	3.929	3.428	1	0.419	990.5	1.121	4.373	102.8	82.46	4.961	0.844	0.414
Ireland	(I£)	49.18	9.383	8.187	2.388	1	2366	2.678	10.44	245.6	196.9	11.85	2.015	0.988
Italy	(L)	2.079	0.397	0.346	0.101	0.042	100.	0.113	0.442	10.38	8.325	0.501	0.085	0.042
Netherlands	(Fl)	18.37	3.504	3.057	0.892	0.373	883.4	1	3.900	91.70	73.54	4.424	0.752	0.369

EMS EUROPEAN CURRENCY UNIT RATES

WORLD INTEREST RATES

MONEY RATES

EURO CURRENCY INTEREST RATES

UK INTEREST RATES

LONDON MONEY RATES

BASE LENDING RATES

MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jul 14 / Sch)

BELGIUM/LUXEMBOURG (Jul 14 / Frs.)

DENMARK (Jul 14 / Kr)

FINLAND (Jul 14 / Mks)

FRANCE (Jul 13 / Frs.)

GERMANY (Jul 14 / Dm.)

ITALY (Jul 14 / Lire)

NETHERLANDS (Jul 14 / Fl.)

NORWAY (Jul 14 / Kroner)

SPAIN (Jul 14 / Pta.)

SWEDEN (Jul 14 / Kronor)

SWITZERLAND (Jul 14 / Frs.)

PACIFIC

JAPAN (Jul 14 / Yen)

Senkyo	2,300		2,680	2,110	0.4	...	...
Sanrio	1,920	+30	2,160	1,010	...	...	
SnwaBk	2,160	-10	2,370	2,010	...	...	
SnwaSh	911	+4	1,000	865	—	—	
SnyoEl	576	....	608	415	—	—	
Sppora	982	+13	999	870	—	—	
Secom	6,660	+20	7,280	6,350	0.6	...	
SegaEn	7,680	+20	9,540	7,010	...	...	
SeibuR	3,910	-90	4,650	3,370	...	...	
SeknoT	1,850	...	1,880	1,580	0.8	...	
SeiyoF	1,330	+50	1,340	1,050	—	—	
Seiyu	1,420	+20	1,510	1,280	...	...	
SekChm	1,060	—	1,160	958	—	—	
SekHse	1,290	+20	1,490	1,250	1.4	...	
Settsu	436	+7	512	361	1.1	...	
SvElev	8,230	+80	8,560	7,430	—	...	
Sharp	1,680	+30	1,810	1,520	...	...	

HONG KONG (Jul 14 / H.K.$)

MALAYSIA (Jul 14 / MYR)

SINGAPORE (Jul 14 / S$)

AUSTRALIA (Jul 14 / Aust.$)

Pancon	1.55	-.05	2.15	1.36	—	—	
Pasmnco	1.75	+.10	2.43	1.53	—	—	
Plonin	3.06	+.15	3.42	2.60	4.9	12.8	
PlaPac	3.10	—	3.90	2.49	1.1	...	
Plutnc	6.45	-.15	9.25	5.80	0.9	—	
PosGld	3	-.05	4.30	2.83	3.3	—	
QBE In	5.25	+.11	6.96	4.60	4.2	—	
QCT Rs	1.49	+.01	1.74	1.15	6.7	...	
RnsnGd	4.60	—	6.25	4.28	0.5	...	
Rothmn	5.50	...	7.13	5.01	7.3	6.2	
Santos	3.95	+.07	4.52	3.68	6.8	9.2	
SmithHw	6.44	+.12	7.10	5.95	4.3	...	
SonGwa	9.80	-.40	10	8.10	5.2	—	
Sthc'p	2.89	...	3.90	2.65	...	...	
Stckld	2.95	-.02	3.70	2.95	8.1	21.1	
TNT	2.50	+.05	2.56	1.91	—	8.6	
TelCpN	3.70	-.05	4.60	3.42	4.7	—	

NORTH AMERICA

CANADA

TORONTO (Jul 14 / Can $)

4 pm close

797688	AlcnAl	33¾	+⅛	$33⅝	33¼	82963	PetCan	11⅝	+¼	$11⅝	11⅝
522050	AmBarr	30⅞	-⅛	$31⅛	30⅝	86500	PhilEn	8¼	+⅛	$8¼	8
5650	AtcoCl	14	+½	$14	13⅝	473656	PDome	27⅞	-⅛	$28⅛	27⅝
25550	Avenor	21	+⅛	$21	20¾	96215	PowrCp	21	+½	$21	20¾
12990	BCSugA	8		$8	7⅞	91450	PowrFn	29⅛		$29⅛	29
28300	BC Tel	24		$24¼	23⅞	28000	RayrkY	16		$16¼	16
867108	BCE	47¼	+⅞	$47⅞	46⅞	500	RelmnS x	16½		$16½	16½
7600	BCE Mb	36⅛	+⅛	$36¼	36⅛	200	Rothmn	75½		$75½	75½
6975	BGR A	15⅛		$15⅛	15⅛	325400	RngOil	9½	+⅛	$9½	9¼
7500	Bmswk	10½	+¼	$10½	10½	800	ReadSl	24		$24	24
169490	BkMont	24⅝	+⅛	$24⅝	24⅛	192158	Ren En	30	+⅛	$30	29⅛
723521	BkNovS x	26	+½	$26⅛	25⅞	31001	Repap	425	+5	430	420
33521	BeauEx	238	+⅞	239	235	248500	Rigel	21		$21	20¾
209436	BmbdrB x	20¾	+⅛	$21¼	20½	180951	RioAlg	24⅛	+⅞	$24⅛	23⅞
179186	BowVal	15¾	+⅞	d15¼	15⅛	201128	RogCmB	20⅝	+⅝	$20⅝	20⅛
2132820	Bramlea	21½	-⅞	22½	21½	1015751	RoyBkC	28⅝	+⅛	$28⅝	28
60100	BrscnA	18⅛	+⅞	$18⅛	18⅝	52650	RoyOak	6⅛	+⅛	$6⅛	5⅞

MONTREAL (Jul 14 / Can $)

4 pm close

AFRICA

SOUTH AFRICA (Jul 14 / Rand)

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are for 1994, except Toronto & Montreal (daily). # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Thursday, July 14, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Mitsui Co	8.8m	880	+38	Hitachi	4.3m	1020	+10
Mitsubishi Oil	6.4m	1180	-20	Toshiba	3.9m	784	+4
Mitsubishi Hvy	5.6m	809	+9	Green Cross Corp	3.7m	1200	+60
Kumagai Gumi	4.6m	533	+16	Tokyo Dep Store	3.6m	829	+54
Aisin Seiki	4.5m	1510	+150	Daimaru	3.2m	893	+32

INDICES

	Jul 14	Jul 13	Jul 12	1994 High		1994 Low	
Ireland							
ISEQ Overall(4/1/88)	1778.49	1765.88	1748.79	2082.18	20/1	1694.14	1/7
Italy							
Banca Comm Ital (1972)	701.21	687.35	678.10	817.17	10/5	588.65	10/1
MIB General (4/1/94)	1132.0	1109.0	1085.0	1318.00	10/5	844.00	10/1
Japan							
Nikkei 225 (16/5/49)	20718.04	20540.41	20400.48	21552.81	13/6	17369.74	4/1
Nikkei 300 (1/10/82)	302.47	300.61	299.47	311.71	13/6	288.22	4/1
Topix (4/1/68)	1664.52	1654.53	1647.15	1712.73	13/6	1446.97	4/1
2nd Section (4/1/68)	2505.62	2494.04	2495.12	2542.86	8/7	1873.33	4/1
Malaysia							
KLSE Comp.(4/4/86)	1010.80	989.57	985.62	1314.46	5/1	928.33	4/4

JCapeDrgns (31/12/88)	(u)	302.82	297.46	385.19	5/1	290.28	21/3
Barings Emerg.(7/1/92)	158.53	158.66	158.67	182.72	14/2	141.85	21/4

** Sat July 9 : Taiwan Weighted Price 6185.27: Korea Comp Ex 956.38. Base values of all indices are 100 except: Australia All Ordinary and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX - all 1,000; JSE Gold - 255.7; JSE 20 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. † IBIS/DAX after-hours index: Jul 14 - 2070.71 +19.46

■ CAC-40 STOCK INDEX FUTURES (MATIF) Jul 13

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jul	1980.0	1979.0	+32.0	1980.0	1954.0	16,837	34,769
Aug	1969.5	1987.5	+32.0	1985.0	1965.5	-	303
Sep	1977.5	1995.0	+31.5	1997.0	1973.0	1,764	25,294

Open interest figures for previous day.

US INDICES

Dow Jones	Jul 13	Jul 12	Jul 11	1994 High	1994 Low	Since compilation High	Since compilation Low
Industrials	3704.28	3702.66	3702.99	3978.36 (31/1)	3593.35 (4/4)	3978.36 (31/1/94)	41.22 (2/7/32)
Home Bonds	96.75	96.60	96.66	105.61 (21/1)	96.43 (13/5)	109.77 (18/10/93)	54.99 (1/10/81)
Transport	1582.66	1582.77	1582.88	1862.29 (2/2)	1546.02 (20/4)	1862.29 (2/2/94)	12.32 (8/7/32)
Utilities	179.87	179.87	180.86	227.06 (3/1)	176.71 (24/6)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3738.27 (3725.32) Low 3663.69 (3660.90) (Theoretical♦)
Day's high 3722.09 (3706.55) Low 3686.61 (3672.23) (Actual♦)

Standard and Poors	Jul 13	Jul 12	Jul 11	1994 High	1994 Low	Since compilation High	Since compilation Low
Composite ‡	448.73	447.95	448.06	482.00 (2/2)	438.92 (4/4)	482.00 (2/2/94)	4.40 (1/6/32)
Industrials♥	523.23	522.27	521.84	560.59 (2/2)	510.05 (21/4)	560.59 (2/2/94)	3.62 (21/6/32)
Financial	44.38	44.26	44.43	48.94 (14/6)	41.39 (4/4)	48.49 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	247.85	247.47	247.50	267.71 (2/2)	243.14 (4/4)	267.71 (2/2/94)	4.46 (25/4/42)
Amex Mkt Val	427.73	425.68	424.77	487.89 (2/2)	422.87 (28/6)	487.89 (2/2/94)	29.31 (9/12/72)
NASDAQ Comp	718.35	709.59	706.83	803.93 (18/3)	693.79 (24/6)	803.93 (18/3/94)	54.87 (31/10/72)

■ RATIOS

	Jul 8	Jul 1	Jun 24	Year ago
Dow Jones Ind. Div. Yield	2.74	2.79	2.75	2.93
	Jul 13	Jul 6	Jun 29	Year ago
S & P Ind. Div. yield	2.47	2.49	2.49	2.56
S & P Ind. P/E ratio	22.93	22.72	23.10	24.89

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open Int.
Sep	449.60	450.30	+0.75	450.65	449.35	58,553	204,675
Dec	-	452.15	-	-	-	238	11,733
Mar	-	455.70	-	-	-	52	2,144

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Change on day
Ford Motor	5,276,500	32⅛	+⅞
Regency Hlth	4,686,000	8¾	-5⅜
Eli Lilly	3,519,200	46⅝	+1⅛
Compaq	3,094,600	36⅜	+1⅞
EMC Corp	3,041,700	15⅞	+1
Wal-Mart	3,021,700	25	+¼
Abbott Lab	3,018,400	27½	+½
Motorola	2,892,400	49	-1
Gen Motors	2,672,500	52⅛	+⅛
Brit Steel	2,605,500	24⅛	+⅝

■ TRADING ACTIVITY

● Volume (million)	Jul 13	Jul 12	Jul 11
New York SE	265.829	241.960	217.763
Amex	14.158	13.321	12.380
NASDAQ	313.156	223.234	201.426
NYSE			
Issues Traded	2,836	2,831	2,834
Rises	1,165	1,064	1,015
Falls	909	1,014	1,133
Unchanged	762	753	686
New Highs	42	25	28
New Lows	51	67	90

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

4 pm close July 14

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1994 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chge Prev. Close
17⅞	13⅞	AAR	0.48	3.5	462	88	14	13⅞	13⅞	
16⅞	13	A L Labs A	0.18	1.3	31	59	13¾	13½	13½	+⅛
73	57⅝	AMP	1.68	2.3	25	3150	72¼	71¾	72	-⅜
72¾	52⅛	AMR			31	4376	63⅛	61¾	62⅞	+½
5	3⅛	ARX			12	25	3¾	3¼	3¾	
56⅛	38⅝	ASA	2.00	4.4	29	525	45	44¾	45	+⅛
31⅞	25⅜	AbbtL x	0.76	2.7	76	14561	28⅛	27⅝	27¾	+⅜
13¾	11⅞	AbitibiPr	0.50	4.1	8	233	12¼	12⅛	12¼	+⅛
23⅝	17¾	ABM Ind	0.52	2.7		272	19¼	19	19⅛	-⅛
13¾	11⅛	Acpincain			24	20	13½	13⅜	13⅜	
31	22¾	ACE Ltd	0.44	1.9	3	150	23⅝	23¼	23⅝	+⅛
12½	10⅛	ACM Gvt In	1.09	10.1		410	11	10⅞	10⅞	-⅛
10⅛	7⅞	ACM GvOpp	0.80	9.6		62	8⅜	8⅛	8¼	
10⅝	8	ACM Gvt Sp	0.96	11.8		214	8⅛	d8	8⅛	+⅛
12	9⅛	ACM Gvt Se	1.09	11.5		639	9⅝	9⅜	9½	+⅛
11¾	8¾	ACM Man	1.08	11.7		793	9¼	9	9¼	+¼
9¾	8	ACM Managd	0.72	8.9		56	8¼	8⅛	8⅛	-⅛
15½	8¾	AcmeCv	0.44	3.9	14	31	11⅜	11	11⅜	+¼
9¼	6½	Acme Elect			5	63	8¼	8	8	-¼
28¾	23	Acordia	0.60	2.2	13	57	27	26⅝	26¾	-½
9⅜	5¾	Actava	0.36	4.1	2	161	8⅞	8¾	8¾	-⅛
15⅝	11¼	Acuson			100	284	13¼	12⅞	13⅛	+⅜
18⅜	16½	Adams Expr	0.48	2.8	0	268	17¼	17	17⅛	
64	46½	Ad Micro	3.00	5.5		32	55¼	54¾	54¾	-⅜
31¾	16¾	AdvMic	3.00	11.5	11	9930	27	26	26	-⅜
8⅞	5	Advest Grp	0.16	3.0	8	42	5¼	5⅛	5¼	+⅛
20	15	Advo Inc	0.10	0.6	114	3	17⅛	17	17⅛	
57¼	49⅜	Aegon ADR	2.95	5.3	12	154	55⅝	54½	55⅝	+1⅛
65¾	48¾	AetnaL	2.76	4.8	8	4551	57	55¼	57	+1¾
34⅞	25¼	Aflac	0.46	1.3	14	1378	u34⅞	34⅜	34⅜	+⅛
[illegible]										
27	21⅝	Baxter	1.00	3.8	38	10358	26¼	26⅛	26⅝	+½
28⅜	23¾	Bay St Gas	1.46	6.1	14	146	23⅞	23½	23¾	+⅛
22½	19⅛	Bd Tr 1838	1.72	8.5		21	20½	20¼	20¼	
23½	16⅜	Bear Strns	0.57	3.3	4	5396	17⅜	16⅞	17⅛	+¼
50¼	47½	BearStPfA	2.83	5.9		z100	47½	d47½	47½	
37½	27¾	Bearings	0.64	2.0	22	75	31⅝	31½	31⅝	+⅛
28¾	23	Beckman In	0.40	1.6	20	483	25½	25¼	25¾	+⅛
42⅝	34⅛	BectnD	0.74	1.7	15	2599	u43	42½	42¾	+¼

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Continued on next page

4 pm close July 14

NYSE COMPOSITE PRICES

Continued from previous page

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
6½	4¾	SolowayW96				80	6¼	6¼	6¼	
57⅞	47¾	StJoePaper	0.20	0.4	300	104	57	55¼	57	+1⅞
30¼	25	StJosL&P	1.80	7.1	12	102	25½	25⅜	25½	+⅜
45	37¼	StPaul	1.50	3.7	4	2323	40¾	40¼	40¾	+½
9⅜	6	Salant Crp			7	86	6¼	6⅛	6¼	
49⅞	34¾	Sallie Mae	1.40	4.0	7	2583	35⅝	d34⅝	35⅛	-⅛
13⅞	11⅞	Salomon Br	0.28	2.3		458	12⅜	12¼	12¼	-⅛
52¾	43	Salomon	0.64	1.4	6	4348	44½	44⅛	44¼	+⅜
25	17½	SaDgGE	1.52	7.8	10	679	19⅝	19¼	19½	+¼
10	7½	SantaFeERs	0.16	1.7	9	1894	9⅝	9⅜	9½	+⅛
15¼	13½	SFeGd				1741	14	13¾	14	
40	31½	SantaFePac	2.80	8.1	16	42	34⅝	34½	34⅝	
26¼	18½	SanFeP	0.10	0.5	10	5467	20	19⅝	19⅞	+¼
26	19⅜	SaraLee	0.64	3.0	14	28965	21¼	19⅝	21¼	+1¾
50⅛	42⅛	Scana Corp	2.82	6.4	11	529	43⅞	43¼	43⅞	+½
20½	12½	Scecrp	1.00	7.8	8	13535	12⅞	d12½	12¾	+¼
40½	31¾	SchererRP			26	421	34⅜	33½	34¼	+¾
69⅜	54½	SchPl	2.04	3.3	14	4861	62½	62	62½	+¼
62⅝	50¾	Schlmb	1.20	1.9	25	4255	62	60⅝	62	+⅞
33⅞	23¾	Schwab(C)	0.28	1.1	12	4228	26¼	25½	26⅛	+⅝
10¾	6⅛	Schwitzer			25	85	8⅞	8½	8⅞	+⅜
38⅜	24⅞	SciAtl	0.12	0.3	70	3583	36	35¼	35¼	+⅝
16⅞	13	Scotsman	0.10	0.7	13	8	14⅜	14⅛	14⅜	+⅜
53¾	37¼	ScottP	0.80	1.6	13	5856	51⅝	50¾	51⅜	+⅜
28⅝	18⅝	ScuddrNAsF	0.21	0.9		105	22⅞	22⅝	22⅞	+⅝
12⅝	9½	ScuddrNEuF	0.16	1.6		381	10¼	10	10¼	+⅛
18¼	13½	SeaCnB	0.70	4.4	7	9	15⅞	15⅝	15⅞	+⅛
18½	14⅞	SeaC1 4625	1.46	9.4		9	15⅞	15⅝	15⅝	+⅛
32	26¼	Seagrm	0.56	1.8	39	5703	30½	30	30½	+½
29¾	23	Seagull En			35	250	27⅞	27⅝	27¾	+⅛
31⅝	26⅝	Sealed Air			22	146	29⅝	29	29½	+⅝
55⅛	42⅛	SearsR	1.60	3.4	7	6294	48	46¾	47½	+⅞
13¾	11¼	Seligm Sel	0.84	6.9		118	12⅛	12¼	12¼	-⅛
39¼	26	Sensormat	0.22	0.7	30	1927	30	29⅛	29½	+⅜
39¾	27¼	SequaA	0.60	2.0	5	39	29¾	28¾	29¾	+1⅛
40¼	28	SequaB	0.50	1.5	17	5	33¼	33⅛	33¼	+⅝
38	22½	ServCp x	0.42	1.6	21	875	26⅛	25⅝	26⅛	+½
28⅜	22	SvMstr x	0.92	3.8	12	200	24¾	24⅛	24¼	
25	15¾	Shaw Ind	0.22	1.2	21	6122	17¾	16⅝	17⅝	+⅞

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
18¾	14½	TNP Enterp	1.63	10.4	15	156	15⅝	15¼	15⅝	+⅛
77⅞	61	TRW	1.88	2.9	19	653	65¾	64½	65⅛	+⅝
38⅜	22⅝	Taiwan Fd				147	30¼	29⅝	29⅝	-⅞
7⅞	5⅜	Talleyind	0.42	6.8	10	184	6⅜	6⅛	6¼	
12¾	10	Talley Pf	1.00	8.6		z100	11⅝	11⅝	11⅝	+¼
44½	34¾	Tmbrds	1.68	4.4	19	971	38⅛	38	38⅛	+⅛
16⅜	10½	Tandem			2	8390	12⅝	12½	12½	-⅜
49⅞	30¾	Tandy	0.60	1.7	14	1183	35⅜	34⅜	35	+¼
12¼	9½	Taurus Mun	0.68	7.0		8	9¾	9⅝	9⅝	+⅛
22⅝	18¼	Teco Energ	1.01	5.1	15	854	19⅞	19⅜	19⅞	+½
33⅜	23⅝	Tktrnx x	0.60	2.0	20	3669	31¼	30	30¾	+⅞
4	2¾	Telecm			20	z100	3⅝	3⅝	3⅝	
26⅝	14¼	Teldyn	0.80	4.8	56	1549	17	16⅞	16½	-½
46⅛	34⅝	TeleEspSA	1.05	2.4	8	3996	43	42½	43	+¾
76	50⅛	Telmex	1.53	2.8	11	36065	55⅛	55⅛	55¾	+¾
54¾	43¾	Tmpinl	1.00	2.0	40	1150	49⅞	48	49⅛	+1½
30⅝	19½	TempltEmMk	0.17	0.7		160	23⅝	23¼	23¼	-¼
8⅜	6¾	TempltGlob	0.60	8.6		95	7	6⅞	7	
8	6¾	TempltGlFd x	0.60	8.6		4938	7	d6¾	7	+¼
58¾	44⅞	Tnneco	1.60	3.4	18	12666	48	46¼	47¼	+1⅛
30	25⅝	Teppco Pts	2.40	8.6	10	46	27⅞	27⅛	27⅞	+⅛
31⅛	20⅞	Teradyne			28	3306	29¼	28	28¼	-¼
9⅞	4½	Terex	0.06	1.4	0	271	4½	d4¼	4⅜	-⅛
8¾	6¼	Terra Inds	0.08	1.0	23	357	7⅞	7¾	7⅞	-¼
12⅛	5¼	Tesoro			20	625	11	10⅝	10⅞	+⅛
68⅛	59⅛	Texaco	3.20	5.1	14	5707	63⅛	62¾	62⅞	-½
61⅞	50	Texaco C	3.23	6.4		34	50½	50⅜	50⅜	
39¾	29⅝	Texas Ind	0.20	0.6	40	43	32¾	32	32⅝	+⅝
89½	61	TxInst	1.00	1.2	17	13812	87½	85⅛	86⅞	+1⅝
21½	18¼	Texas Pac	0.40	2.1	23	2	19⅜	19⅜	19⅜	+¼
43⅜	30	TxUtil	3.08	9.6	19	2782	32¼	31⅞	32⅛	+⅜
4⅜	2¾	Text Inds	7.10	31.4	1	47	3⅝	3½	3½	
60⅝	50¾	Textrn	1.40	2.7	12	2167	52¾	52⅜	52⅝	+⅛
4¾	4	Thackeray			225	25	4½	4⅜	4½	
24¼	14¾	Thai Cap	0.35	2.0		28	17¾	17⅛	17¾	+¼
37½	24¼	Thai Fund	0.28	1.0		39	27⅞	27⅝	27⅞	+⅛
44⅜	38	ThermoElec	0.12	0.3	23	2621	40½	39¾	40¼	+⅝
29	22⅞	Thiokol	0.68	2.7	8	166	25⅞	23¼	25⅜	+½

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
6⅞	5	TCBY Enter	0.20	3.5	23	436	5⅞	5⅝	5¾	+⅛
38¼	28½	TCF Financ	1.00	2.8	11	33	36⅛	36	36	
9⅝	8⅞	TCW Conv S	0.84	9.2		307	9⅛	9	9⅛	+⅛
49½	34¼	TDK Corp A	0.47	1.0	48	34	47¼	47¼	47¼	
2¼	1½	T I S Mtge	0.20	10.7	1	245	1⅞	1¾	1⅞	
29⅜	18⅛	TJX	0.58	2.9	12	4983	19⅞	19⅜	19½	-⅛

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¾	15⅞	Univ Hlth	1.66	9.6	11	118	17½	17⅛	17⅜	+⅛
½	1/16	UnivMed L			0	8	7/32	7/32	7/32	-1/32
12½	9¾	Univar Crp	0.30	2.7	34	123	11	10⅝	11	+¼
26¼	17½	Univsl Crp x	0.98	4.8	11	174	20	19	20	+1
30⅛	24½	Unocal x	0.80	2.7	23	17578	u30⅛	29	30⅛	+¾
58	43	UNUM Corp	0.96	2.2	11	1879	44¼	43⅞	44	+¼
33½	25¾	Upjhn x	1.48	5.0	13	4397	30	29⅝	29⅝	+⅛

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20½	15¾	USLICO	0.24	1.4	6	206	17¾	17⅝	17¾	
10⅞	9¼	USLIFE Inc	0.80	8.4	0	27	9½	9⅜	9½	+⅛
18⅝	15⅝	USX M	0.68	3.8	443	10756	17¾	17⅛	17¾	+½
45⅝	30¼	USX US	1.00	2.8	8	6533	36⅝	36	36⅛	-¼
17⅞	12⅞	USX Delhi	0.20	1.4	16	119	14⅝	14⅜	14⅜	-¼
31	26⅞	Utilcp1 775	1.78	6.6		4	27	27	27	
31⅞	27¾	UtilCorp	1.68	5.7	15	342	29⅝	29¼	29⅝	+⅜

- V -

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
53¾	44½	VF Cp	1.28	2.5	13	1623	50⅝	49⅞	50⅜	+1⅛
24⅛	18¾	ValeroE	0.52	2.8		1742	18⅞	18⅝	18¾	-⅛
7	4¾	Valhi Inc	0.08	1.4	140	513	5⅝	5¼	5⅝	+⅜
8⅝	7¼	Vankamp Hi x	0.99	13.0		390	7⅞	7⅝	7⅝	-⅛
10½	9¼	VanKampMer x	1.20	12.2		286	10	9⅞	9⅞	+⅛
12⅝	10⅛	VankampMall x	0.84	7.6		352	11¼	11⅛	11⅛	
7¼	5⅛	Varco Intl			33	338	7⅛	7	7⅛	
39¼	28¼	Varian	0.24	0.7	12	1605	36½	35¾	36	+⅝
50⅛	33½	Vanity			27	1871	37⅜	36⅜	37	+¾
15⅝	13⅛	Vestaur	1.08	7.9	0	10	13¾	13⅝	13¾	+⅛
78¼	64¼	VirEP5 00	5.00	7.7		z10	65	65	65	
42⅝	31¼	Visnay Int			21	1010	u43½	42½	42½	
25⅞	20	Vista Res			11	45	23⅛	22⅞	23⅛	+⅛
28¾	20¼	Vivra Inc			20	194	24⅞	24¾	24⅞	+⅛
94⅞	73	Vodafone	1.32	1.6	26	1212	85	84	84¾	+1⅝
14	9¾	Volunteer			15	17	9½	d9¼	9½	+⅛
18⅝	16	Von Cos			17	364	17	16¾	16¾	-⅛
37¾	31⅜	Vrnado	2.00	5.5	49	55	36¼	36	36¼	
51⅞	44	VulcnM	1.32	2.8	19	100	46½	46¼	46⅜	-⅛

- W -

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
29⅞	16½	WMS Ind			16	268	19⅛	18⅝	18¾	-⅜
32⅞	26⅜	WPL Holdn	1.92	6.9	13	199	28	27¾	27⅞	+⅛
20⅛	13	Waban Inc			38	1376	17⅛	16¾	16⅞	+⅛
35⅜	30⅛	[illegible]	1.20	3.7	11	2382	32⅜	32	32⅛	+¼
15⅛	12¼	Wackenhut	0.36	2.4	485	28	14⅞	14⅞	14⅞	
5⅞	3⅞	Wainoco			47	525	4¾	4⅝	4¾	+⅛
42⅞	33¾	Walgrn	0.68	1.9	17	8874	35½	34¼	35¼	+1⅛

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20¾	16¼	Wyle Labor	0.28	1.7	18	17	16⅞	16⅞	16⅞	
22¾	18¼	Wynns Int	0.44	2.1	13	24	21½	21¼	21⅜	+⅜

- X - Y - Z -

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
109¾	87¾	Xerox	3.00	2.9	48	2363	102¼	101⅝	101⅞	-¼
54½	50	Xerox4 125	4.12	7.6		3	54⅛	54⅛	54⅛	
53¼	40	Xtra Corp	0.56	1.1	22	523	50⅛	48¾	49¾	-¼
25½	20	Yankee Egy	1.22	5.2	13	89	23⅜	23⅛	23⅜	
40	33⅞	York Int	0.16	0.4	18	2870	37¾	37⅜	37¾	+½
4⅛	1	Zapata	0.14	3.4		403	u4⅛	4	4⅛	
13½	7	ZntnEl			3	3531	9¾	9⅛	9½	-¼
25½	20⅝	Zenith Nat	1.00	4.4	8	233	22⅝	22	22⅝	+¼
7⅞	6⅝	Zenix Inc	0.82	11.3		50	7⅜	7¼	7¼	
16⅛	11⅜	Zero	0.40	3.3	15	105	12⅝	12¼	12¼	-⅛
29¾	19	Zurn Ind	0.88	4.7	16	641	19¼	d18¾	18⅞	-¼
13⅞	12⅛	Zweig Fund x	1.08	8.8		183	12⅜	12¼	12¼	
10¾	9	Zweig Totl x	0.84	9.3		462	9⅛	d9	9	-⅛

Price data supplied by Telekurs

Yearly highs and lows for NYSE reflect the period from Jan 1 1994. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4 pm close July 14

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Adv Magn		468	18	14	14	14	+⅛
Alfin Inc		2	9	1⅛	1⅛	1⅛	
Alpha Ind		2	51	4⅜	4⅜	4⅜	
Am Isr Pa	1.04	13	40	45½	45½	45½	+½
AmMaize A	0.64	186	140	21⅛	20¾	21⅛	+⅜
Amdahl	0.05	2	3457	6	5¾	5⅞	
Am Expl		2	1049	1 5/16	1¼	1¼	-1/16
Ampal-AmA		43	1146	7⅞	7¾	7¾	+½
ASR Invs	0.72	5	22	2 3/16	2⅛	2⅛	
Astrotech		24	70	2¾	2 11/16	2 11/16	
Atari		4	1669	4⅛	3 15/16	4	
AudreCM B		0	4	5/16	5/16	5/16	
Audiovx A		6	92	7	6¾	6⅞	-⅛
B&H Ocean	0.55	0	54	2¾	2¾	2¾	-1/16
BadgerMtr	0.73	17	9	22½	22⅛	22⅛	-⅛
BaldwnT A	0.04	25	456	4¾	4 11/16	4¾	-1/16
Barry RG		18	953	19½	19	19⅛	-⅛
BAT Ind	0.29	12	314	7¼	7⅛	7⅛	
Beard		6	21	2	2	2	
Bmks Man	0.40	140	87	20	d19⅝	19⅝	-⅜
Bio-Rad A		52	535	18¼	18	18¼	
Blount A	0.50	45	302	u41¼	40¾	41¼	+⅝
Bow Valley		125	78	11¼	11¼	11¼	+⅛
Bowmar		30	156	3	2 13/16	3	+⅛
Bowne	0.30	10	278	21¾	21⅜	21¾	+¼
Brascan A	1.04	14	24	13¾	13½	13¾	+¼
Calprop		2	68	¾	¾	¾	
Cambrex	0.20	12	9	20⅞	20⅞	20⅞	+⅛
Can Marc	0.28	20	5	11¼	11¼	11¼	
Chmbrs A	0.01	5	347	2½	2 7/16	2½	+⅛
Chambers		5	67	2⅜	2⅜	2⅜	
Champion		47	1256	32¼	31¼	32	+¾
Chiles		287	1849	5⅞	5¾	5¾	-⅛
CircPh	0.04	29	3769	11¼	10⅛	11¼	+⅞
Cntrl FdA	0.01		386	5⅜	5¼	5¼	

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Cominco	0.30	20	14	15½	15¼	15½	+½
Computrac		0	10	11/16	11/16	11/16	
Concd FbA		5	23	9	8⅞	8⅞	-⅜
CrossAT A	0.64	550	816	16½	16¼	16½	+¼
Crown C A	0.40	40	9	17¾	17¾	17¾	
Crown C B	0.40	14	14	16¼	16⅛	16⅛	-⅛
Cubic	0.53	81	4	18¾	18¾	18¾	-¼
Customedix		13	51	2⅜	d2⅜	2⅜	
DI Inds		16	102	u1¼	1 3/16	1 3/16	
Dimark		28	118	17	16¾	16⅞	+⅛
Ducommun		9	26	4¾	4 11/16	4¾	
Duplex	0.48	9	459	8⅞	8¾	8¾	-⅛
Eastn Co	0.46	15	10	15⅞	15¾	15¾	
Eastgroup	1.72	275	42	20⅞	20½	20¾	
Echo Bay	0.07	366	4330	11	10¾	11	+¼
Ecol En A	0.30	8	101	10⅝	10½	10⅝	
Edisto Rs		6	60	7⅞	7¾	7⅞	+⅛
Elan		16	1656	36¾	36	36⅜	+⅝
Engy Serv		50	2491	4 1/16	3 15/16	4 1/16	
Epitope		10	373	16	15¾	16	
Fab Inds	0.64	11	30	32⅞	d32⅞	32⅞	
Fina A	3.20	17	16	79½	78½	78½	-1
FstCityBnc	0.20	12	12	10⅜	10⅜	10⅜	+⅛
Fluke (J)	0.56	75	160	30¼	30	30¼	+¼
Forest La		28	2175	43⅝	43¼	43¼	
Frequency		2	41	4	4	4	
Garan	0.80	7	32	22¾	22⅝	22¾	+¼
Giant FdA	0.72	12	1695	20⅛	19⅞	20	
Glatfltr x	0.70	34	1127	15⅞	15⅝	15⅝	-⅛
Goldfield		1	355	7/16	d⅜	⅜	
Greenman		34	25	6½	6½	6½	
Gulf Cda	0.34	26	6071	u4 3/16	3 15/16	3 15/16	-1/16
HanDir		23	1403	4¼	4 1/16	4 1/16	-⅛
Hasbro	0.28	13	2806	30	29¾	29⅞	

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Health Ch		4	803	2⅞	2⅞	2⅞	+⅛
Healthwst		3	313	u3 7/16	3⅛	3¼	
Heico x	0.15	40	14	9¼	d9¼	9¼	-⅛
HvmanianA		10	1315	8½	d7⅞	8	-⅝
ICH Corp		1	845	5¾	5⅝	5¾	
InstronCp	0.12	24	15	9⅞	9⅝	9⅞	+¼
Int. Coms		3	4381	3⅜	3⅛	3¼	+1/16
Intermagn		93	507	18¾	17¾	18⅝	+⅞
Ivax	0.06	16	4840	16⅞	16¼	16⅝	+⅜
Jan Bell		4	968	6⅛	6	6	-⅛
Ketema		21	50	14⅜	14¼	14¼	+⅛
Kinark Cp		20	5	4⅜	4¼	4⅜	
Kirby Exp		21	1481	19¼	18½	18⅝	-⅜
KogrEq		79	173	9½	9⅜	9½	+⅛
Labarge		7	109	1 3/16	1 1/16	1 3/16	+1/16
Laser Ind		14	127	5¾	5⅝	5⅝	+⅛
Lee Pharm		5	4	1⅛	1⅛	1⅛	
Lumex Inc		175	93	10¾	10½	10½	-⅛
Lynch Cp		7	10	26	25¾	25⅞	+⅛
Maxxam		2	297	37½	35½	37	+1⅜
Media A	0.44	29	452	u29¼	28⅛	29	+⅞
Mem Co	0.20	6	18	4	4	4	-⅛
MiIwLd			7	6⅝	6⅝	6⅝	
Moog A		14	140	8⅝	8½	8⅝	+⅛
MSR Expl		75	8	¾	¾	¾	
Nat Ptnl		6	591	2 13/16	2¾	2¾	
NY TmA	0.56	348	4100	24¼	23¾	24¼	+½
NthCanOil	0.20	10	80	7⅝	d7⅜	7⅝	+¼
NumacE		115	26	5¾	5¾	5¾	
NVR		12	10	8¾	8¾	8¾	
Odetics A		34	135	u9¾	d9¼	9¾	
Oisten	0.24	151	491	31⅞	31½	31¾	+¼
Pegasus G	0.40	86	3538	15⅝	15⅜	15½	

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Perini	0.80	45	22	10⅞	10⅝	10⅞	+⅜
Pet HtSP	1.64	9	14	17	17	17	+⅛
Phil LD	0.24	15	1581	55⅛	54⅝	55	-⅛
Pittway A	0.50	18	28	34¼	34⅛	34¼	+⅛
Ply Gem	0.12	28	1126	20⅜	19¾	20	
PMC	0.82	17	4	15½	15½	15½	
PresidioA	0.10	1	320	1 5/16	1¼	1¼	
RaganBrad		30	12	28	27⅞	28	+⅝
RB&W Cp		3	2	5¾	5¾	5¾	
RiedelEnv		0	z100	1⅜	1⅜	1⅜	
SJW Corp	2.10	9	3	35⅝	35⅝	35⅝	
StrutUnion		15	60	17½	17¼	17¼	
Stert B	0.04	13	117	12	11⅝	11⅞	
TII Ind		21	67	3 11/16	3⅝	3⅝	
Tab Prods	0.20	48	30	8¾	d8¾	8¾	
Tel&Data	0.36	55	2743	37½	36¼	37	+⅝
Thermedics		63	697	14	13½	13⅞	+¼
Thermoins		29	225	27⅞	27¾	27⅞	+⅛
TotPtNA	0.20	18	1084	13⅜	12⅞	13⅜	+⅜
TownCntry		0	784	2½	d2 5/16	2 7/16	+1/16
Triton		1	105	1 5/16	1 5/16	1 5/16	
Tubos Mex		7	376	5⅝	5⅜	5½	+⅛
TurnerBrA	0.07	68	409	18⅛	17⅞	17⅞	+⅛
TurnrBrB	0.07	1812	2266	18⅛	18	18⅛	+⅛
UtdFoodsA		5	120	2 3/16	1 15/16	2	+1/16
UtdFoodsB	0.20	96	28	1 15/16	1 15/16	1 15/16	-1/16
UnivPtnts		24	50	6¾	6½	6⅝	
US Cellu		88	925	25¾	24⅝	25¾	+1⅛
ViacomA		12	217	36⅛	35¾	35¾	
ViacomB			5319	31¼	30⅞	31	-⅜
Weatherld		31	731	13⅛	12⅞	13	
Westamer x	0.60	24	313	28¾	28⅜	28½	
WRET	1.12	20	255	14	13¾	14	+⅛
Worthen	0.60	13	289	29¾	29⅜	29½	+¼
Xytronix		3	177	3 11/16	3 9/16	3 11/16	+1/16

NASDAQ NATIONAL MARKET

4 pm close July 14

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
ABS Inds	0.20	20	159	14½	14	14½	+¼
ACC Corp x	0.12	57	318	13¾	13¼	13 11/16	-1/16
Acclaim E		21	2822	16⅞	16⅛	16 7/16	-7/16
Acme Mtls		22	841	26¼	23	25¾	+2⅜
Acxiom Cp		32	65	22¾	22	22½	+¼
Adaptech		18	4041	19½	18¾	19	+⅛
ADC Tele		37	2118	u46	43½	44¾	+1¾
Addington		19	8	14¾	14¼	14¼	
Adia Serv	0.16	21	2	35½	35½	35½	
Adobe Sys x	0.20	25	30714	31¾	29¾	30⅞	-½
Advance C		7	271	10	9¾	9⅞	+⅛
Adv Logic		6	531	4¼	3⅞	4	-⅛
Adv Polym		5	1123	4¼	d4	4	
AdvTchLab		24	150	u14½	13¾	14	-½
Advanta	0.20	17	392	36	35	35	-1
Affymax		9	119	13	12¾	12¾	-¼
Agency Re		22	2403	13⅜	12⅞	13⅛	+⅛
AgnicoEa	0.10	130	796	11 13/16	11¾	11¾	-¼
AirExpr x	0.24	15	432	23⅜	22⅞	23⅜	+⅜
Akzo ADR	2.24	20	334	57	56⅝	57	+½
Aldus Cp		43	16748	31⅜	28¾	30¼	+3¾
AlcBld	0.88	17	256	26	25¼	25¼	
Allegh &W		15	32	8½	8⅛	8¼	
Allen Org	0.52	15	2	u39	39	39	
Alian Ph		5	702	8¾	8½	8¾	
AlldCapll	1.00	12	14	13¾	13¾	13¾	
Alld Cap	0.80	12	114	14	13½	14	+½
Aloette C	0.32	20	106	3½	3	3	+¼
Alta Gold	0.08	8	108	1 5/16	1 5/16	1 5/16	
Altera Co		31	11786	34 1/16	31⅞	32	
Am Banker	0.72	9	154	24	23⅜	24	+⅝
Am Cty Bu		14	11	16	15	15	
Am Manag		23	553	24⅛	23⅜	24⅛	+⅜
Am Med El		14	1057	9⅞	9⅜	9⅞	+1⅛

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
DauphinDp	0.92	12	96	26	25¼	25 13/16	+11/16
Deb Shops	0.20	20	22	7	6⅝	6⅝	
Dekalb En	0.32	23	288	15½	15⅜	15⅜	
Dekalb Ge	0.80	45	47	30¾	30	30½	-½
Delchamps	0.44	11	67	22½	22¼	22⅜	+⅛
Dell Comp		28	9980	27¾	26⅞	27	-7/16
DeltaDStm	0.16	18	53	15¼	15	15	
Dotply		28	2305	32¾	d31¼	32½	+¾
Dep Gty	1.00	8	67	31¼	30½	30¾	-¼
Devcon	0.20	3	6	7¾	7¾	7¾	
DH Tech		16	22	20¼	19½	20¼	+⅝
Dibrell B	0.80	8	356	16½	15½	16 1/16	+1/16
Digi Intl		12	1006	14	13¾	13¾	-⅜
Dig Micro		7	2679	14½	13⅛	13⅜	+¼
Dig Sound		6	954	1 11/16	1½	1⅝	+⅛
Dig Syst		7	147	3¾	3½	3¾	+⅛
Dionex Cp		16	43	33¾	33¼	33½	+½
Dixie Yrn	0.20	925	62	9¼	8¾	9¼	
DNA Plant		1	1139	3¾	3½	3½	
Dollar Gn	0.20	23	1314	23½	22⅞	23	
Dorch Htn	0.88	14	19	13⅛	13	13⅛	-⅛
DrecoEngy		8	15	8½	8½	8½	+⅛
DressBarn		10	2755	9½	8⅝	9⅜	+½
Drey GD	0.24	19	243	23	22¾	22¾	-¼
Drug Empo	0.08	53	745	5⅜	5⅛	5⅜	
DS Bancor	1.09	17	108	30¼	29¾	30¼	+½
Duriron	0.42	13	931	17¾	16¾	17¾	+¾
Durr Fill	0.30	24	8	u33⅛	32¾	32¾	
Dynatech		7	431	21½	20¾	20¾	

- K -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
K Swiss	0.08	10	13	21¼	d20½	20½	-¾
Kaman Cp x	0.44	5	263	9	8¾	8⅞	
KelleyOil		7	1116	7¾	7½	7½	-¼
Kelly Sv	0.72	23	101	28	27¼	27 11/16	+7/16
Kentucky	0.11	13	18	8½	8	8	
Kimball	0.84	13	7	23⅛	23⅛	23⅛	-1/16
Kirschner		21	508	u10⅝	10	10¼	+⅜
KLA Instr		56	7772	44¼	41¾	42	-1
Knowledge		1	2900	3⅞	3½	3½	-¼
Koll A		1	1180	11/32	5/16	5/16	-1/32
Komag Inc		195	4339	22½	21¼	21½	-½
Kulicke S		9	1354	14⅞	13⅞	14¼	+¼

- L -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Ladd Furn	0.12	38	183	6¾	6⅜	6½	
Lam Rsch		35	6225	31½	30½	31	+¾
Lancaster	0.64	21	865	48½	47¾	48½	+¾
Lance Inc	0.96	19	1187	19¼	17½	18 15/16	+1 7/16
LandmkGph		42	3682	33	30	32 13/16	+2 13/16
Lanoptics		8	56	6½	6	6	
Laserscpe		55	54	5⅜	4⅞	5	
Lattice S		16	1845	18¾	18¼	18¾	+¾
Lawson Pr	0.48	17	106	23½	23	23 7/16	+7/16
LDDS		267	13584	19¼	17½	18¾	
LDI Cp	0.16	1	340	4	3¾	4	+½
Lechters		17	65	14	13¾	14	
Legent Cp		14	3878	24½	22½	23⅝	+⅞
LibtyNtBc	0.78	15	1140	30½	29¾	30½	+½

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Pyramid		8	614	6⅛	6	6⅛	+⅛
QuadraLog		9	75	5⅞	5⅞	5⅞	
QuakerChm	x0.62	75	3	18¾	18¾	18¾	-1
Qual Food	0.20	18	185	24¼	23½	24	+½
Quantum		69	16275	15¾	14¾	15⅜	+⅝
Quicksilv		17	446	12¼	11⅝	11⅞	
QVC Inc		29	15528	44	42⅛	43 7/16	+1 7/16

- R -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Rainbow		13	740	15⅜	14⅝	14⅝	-⅜
Rallys		5	748	5⅛	5	5	-⅛
Rasterops		3	224	4⅜	d4	4⅛	
Raymond		25	38	19½	19⅛	19⅛	-⅜
Recoton		21	528	22¾	22	22½	-½
ReLife A		13	377	14	13½	14	+¾
Repligen		2	3192	3⅝	d3¼	3⅝	
Rep Waste		4	4	3	3	3	
Resrchinc		13	53	8⅛	7¾	7⅞	-⅛
Reuters	2.24	15	2906	44⅝	43¾	44⅝	+1⅛
Rexon Inc		1	75	6⅛	5⅞	6⅛	+⅛
River Fst	0.60	10	z100	35	35	35	-⅜
RoadsrS x	1.40	19	1799	60¾	60¼	60¼	
RbNight	0.12	13	155	6½	6¼	6¼	
RochSvBk	0.56	4	2374	20⅛	19⅛	19⅝	+⅜
Roosevelt	0.15	3	3862	16½	16	16⅛	-⅛
Ross Str	0.20	12	2159	15⅞	14⅞	15½	+½
RotechMed		23	211	19¼	18½	18¾	+¼
Rouse	0.68	62	269	u20	19½	20	+⅛
RPM Inc. x	0.52	19	670	17⅛	16¾	16⅞	-⅛
RS Fin	0.48	13	3	22½	21¾	22½	+⅝

AMERICA

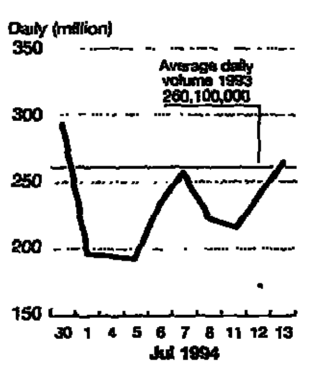
Bonds and dollar lift Dow higher

Wall Street

A sharp rise in bonds and a rally in the dollar helped US share prices post big gains across the board yesterday morning, *writes Patrick Harverson in New York.*

By 1pm, the Dow Jones Industrial Average was up 30.43 at 3,734.71. The more broadly based Standard & Poor's 500 was also firmer at the halfway stage, up 4.61 at 453.34, while the American Stock Exchange Composite was 2.36 higher at 430.09 and the Nasdaq composite up 4.45 at 723.80. Trading volume on the NYSE was 182m shares by 1pm.

NYSE volume



After three days of minimal movement from blue-chip stocks, share prices took off in the morning, fuelled by a surprising rally in the recently-depressed bond market. By early afternoon, the benchmark 30-year government bond was up more than a point, and the yield down to 7.552 per cent. The gains in bonds were prompted by a variety of factors, including rumours of a US military invasion of Haiti (later denied by the Pentagon), strong retail demand, and short-covering by dealers.

The key factors in the bond market's advance, however, were yesterday's economic releases. First, the latest weekly jobless claims data showed a bigger-than-expected rise in the number of people claiming state unemployment insurance, then the June retail sales figures came in slightly weaker than forecast. Together, the data cheered fixed-income investors because it suggested that the economy might not be as strong as feared.

Stock market investors, who might normally have been depressed by the economic news, chose to ignore the implications of the data and focused instead on the rise in bond prices, and the sharp drop in long-term interest rates as measured by the 30-year yield. Another modest rise in the value of the dollar – which had climbed to Y98.45 and DM1.5540 just before 1pm – also lifted share prices.

Chrysler rose $1⅞ to $51¼ in early trading after announcing record second quarter profits of $956m, up from $685m a year ago. Although the stock later gave up some of its gains, Chrysler was still up $½ at $50⅞. General Motors and Ford, which are also expected to report stronger earnings for the quarter, were up $⅝ at $52¼ and unchanged at $32¼, respectively.

JP Morgan fell $⅞ to $60⅞ after reporting second quarter earnings of $350m, down from $431m a year earlier, in the wake of disappointing securities trading revenues.

A broad range of cyclical, technology and blue-chip stocks were in demand, with IBM up $1½ at $58¼, Minnesota Mining & Manufacturing $⅞ higher at $51½ and AT&T up $⅞ at $54¼.

Talk that the collapse of the merger between CBS and QVC might spark takeover interest in CBS lifted the television group's stock $4 to $311½. QVC, which is the subject of a $44 a share offer from Comcast, rose $1⅞ to $43¼ as investors bet that Comcast would have to raise its bid to be successful.

Kendall International rose $3⅞ to $54¼ after Tyco International bid $1.4bn for the medical products manufacturer.

Canada

Toronto stocks were firmer at midday as equities took some heart from rallying bond markets to bounce back from recent losses. The TSE 300 composite index was up 27.63 at 4,168.18 in volume of 30.22m shares valued at T$346.99m.

Precious metals bucked the trend to stand off 0.7 per cent, which traders attributed to reduced inflation fears.

The conglomerates sub-index posted the heaviest gains, rising 2.4 per cent on a C$⅞ rise by Canadian Pacific to C$21½ in volume of 488,092 shares.

Communications, forest products and financial services also made solid gains. Rogers Communications added C$¼ to C$20½ and International Forest Products was up C$¼ to C$14⅞.

Imasco gained C$1½ to C$35 and Cognos was up C$1¼ to C$15.

Brazil

Share prices in São Paulo were 4.9 per cent higher in moderate mid-morning trading as investors returned to the market on bargain-hunting.

The Bovespa index of the 56 most-active shares was up 1,887 at 40,296 in turnover of R$108m ($116.6m).

Investor sentiment was also stimulated by a new presidential election poll conducted by the independent Vox Populi Institute which said that Mr Fernando Henrique Cardoso had gained further ground against opposition candidates.

Telebras preferred stock was 6.4 per cent higher at R$43.10 as the company recouped most of the ground lost over the last three days.

S Africa makes gains

South African shares made reasonable gains in the afternoon helped by an improvement in the futures exchange. The overall index was up 33 at 5,506, the industrial index added 39 to 6,307 and the gold index lost 4 to 2,101.

Traders said that further gains would depend on Wall Street's performance, the direction of the dollar and the movement of South African listed companies on Nasdaq overnight.

Among the main movers De Beers and Anglos both gained in spite of a stronger financial rand, the former adding R2.25 to R109.25 and Anglos R4.50 to R229.50. Vaal Reefs shed R1 to R409 rand. a

EUROPE

Afternoon data help consolidate bourse recovery

Lower than expected US retail growth figures, the reaction in US and European bond markets and better news from Swiss pharmaceuticals were all influential as bourses rose for the second day in succession, *writes Our Markets Staff.*

FRANKFURT's experience was a measure of the day, the Dax index rising just 1.62 to 2,055.62 in official floor trading, as turnover eased from DM5.4bn to DM5.5bn, but spurting in the afternoon on the Ibis, screen-based system to end the day at 2,070.71.

Bund futures led the way up, the September contract breaking through resistance at 93.50 to register a gain of 70 basis points near the end the day.

There was some response in senior blue chip prices, Allianz ending the afternoon at DM2,470, up DM50, and Daimler adding DM11.20 at DM737.20; but the big three chemicals, near their highs for the day, were still subdued following Wednesday's sell-off.

Dealers said that there was more interest in second-rank blue chips. Schering, the pharmaceuticals group, rose DM14 on the session to DM921 after relative weakness recently, and Continental, the tyremaker, put on DM8 at DM244.50.

ZURICH recovered its confidence in a rebound led by pharmaceuticals after first half figures from Sandoz. The SMI index rose 53.1 or 2.2 per cent to 2,528.3, with the firmer dollar and the latest US economic data enhancing the mood.

Sandoz registered rose SFr11 to SFr659 after it reported first half sales growth of 2 per cent in Swiss franc terms. While this was at the lower end of expectations, analysts noted that the market was relieved that the statement contained no negative surprises.

Ciba registered rose SFr11 to SFr732 as it forecast that 1994 group net profit would rise, in spite of the weak dollar.

Roche certificates recouped SFr100 to SFr5,500. The shares had fallen by 10 per cent over the previous two sessions after Roche unveiled its own six month sales figures on Tuesday.

Nestlé rose SFr42 to SFr1,112 but analysts said there was no specific news to account for the 3.9 per cent rise.

MILAN climbed 2 per cent, content that preliminary indications of the government's economic plan were in line with expectations and boosted by short covering ahead of the end of the July account today. The Comit index rose 13.86 to 701.21.

Trading picked up, with stronger demand by funds and institutional investors prompting hopes of an imminent return by retail investors.

Ras led insurers higher, rising L1,650 or 6.8 per cent to L25,650, on the view that the sector was oversold in preparation for the Ina privatisation and that it will benefit from a government reform of pensions.

Banks were also strong with Credito Italiano rising L100 or 4.9 per cent to L2,130. BCI also put on L100 to L2,130: earlier this week, James Capel commented that the shares were cheap and that, in terms of earnings recovery potential, BCI looked interesting.

Telecoms continued to recover from recent losses with Sip up L125 to L4,360 and Stet L165 higher at L5,540. The sector's strength spilled over to Olivetti, L70 higher at L2,510, and Pirelli which added L45 to L2,685.

Falck, the steel group, picked up from a 5.5 per cent fall to finish L100 lower at L5,002 on news that its chairman had been arrested in connection with investigations into alleged bribes paid to fraud squad officials. Rinascente, the retail group was L194 higher at L9,722 as its managing director was arrested as part of the same investigation. About 50 arrest warrants were said to have been issued for businessmen and fraud squad officers.

AMSTERDAM rose modestly with volatility still present ahead of today's expiry of options. The AEX index gained 2.53 to 388.84.

Firm prices were was seen all round, although investor interest was tamed by the lack of corporate news. Elsevier impressed with a Fl 3.00 rise to Fl 157.40 while the chemical groups, Akzo and DSM, also featured, rising respectively by Fl 1.60 and Fl 1.40 to Fl 196.60 and Fl 131.80.

DSM was recommended by James Capel even although the second quarter results, due early next month, may not repeat their good first quarter performance, owing to restructuring charges. Nevertheless, Capel suggested that after losses in 1993, the company could report earnings per share of around Fl 20 by 1996.

MADRID offered a relatively moderate reaction to its own bond market gains, the general index closing 1.26 higher at 302.66 in turnover of Pta26.8bn after a rise of 123 basis points to 90.85 in the September bund future.

Banesto offered some comfort to stale bulls of the rescued banking stock, recovering Pta80 to Pta980 as BCH rose Pta50 to Pta2,625 and Santander Pta105 to Pta4,920.

However, Repsol refused to react further to crude oil prices after its gains on the Nigerian oil workers strike, losing Pta50 at Pta3,960; while Sarrio, the paper group, fined by the European Commission for alleged cartel practices, lost Pta22 at Pta528.

TEL AVIV resumed its recovery from a 1994 low of 148.01 last week after a fall of 2.7 per cent on Wednesday, the Mishtanim index recovering 6.59, or 3.9 per cent to 174.76.

WARSAW tumbled on profit-taking after seven consecutive gains, the Wig index closing 655.8, or 5.9 per cent lower at 10,407.1 in turnover down 25 per cent at 1,000bn zlotys.

Some brokers said that the market had advanced by more than 40 per cent over the previous two weeks, that a correction was long overdue and that it was likely to deepen early next week.

FT-SE Actuaries Share Indices

Jul 14 — THE EUROPEAN SERIES								
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1327.62	1328.83	1331.61	1331.49	1332.73	1336.16	1336.09	1337.33
FT-SE Eurotrack 200	1366.33	1368.36	1369.75	1371.12	1373.36	1374.49	1374.73	1374.18

	Jul 13	Jul 12	Jul 11	Jul 8	Jul 7
FT-SE Eurotrack 100	1325.84	1317.65	1326.78	1316.00	1320.32
FT-SE Eurotrack 200	1362.13	1350.44	1365.90	1354.04	1358.40

Base 1000 (26/10/90); High/day: 100 - 1338.11, 200 - 1377.31 Low/day: 100 - 1327.51 200 - 1368.33

EUROPEAN EQUITIES TURNOVER
Monthly total in local currencies (bn)

Bourse	Mar 1994	Apr 1994	May 1994	June 1994	US $bn
Belgium	83.75	69.93	73.08	71.22	2.17
France	218.69	145.17	175.15	215.7	39.50
Germany	214.73	188.00	151.07	165.42	103.91
Italy	80,380	105,964	99,228	59,404	37.51
Netherlands	33.10	25.20	21.80	26.40	14.78
Spain	1,491.24	1,150.49	1,340.00	1,308.75	9.94
Switzerland	32.02	23.93	26.12	21.63	16.16
UK	61.14	48.57	44.27	46.32	71.49

Volumes represent purchases and sales.
Italian data adjusted to include off-market trading. Some figures may be revised.
Source: NatWest Securities

European equity markets were depressed throughout June owing to pressure on the dollar, which resulted in a 3 per cent decline in US Treasury bond prices. International investors increased their selling pressure, says Mr James Cornish of NatWest Securities, which compiled the data.
Consequently, turnover in European stocks traded on Seaq International in London, as a proportion of that in continental domestic markets, rose to 16.6 per cent in June, from 16.3 per cent in May and 15.8 per cent in April.
***Overall, European turnover* fell by 3 per cent last month from the May figure. France showed the biggest individual gain, turnover rising by some 23 per cent as the market index fell 6.4 per cent, Mr Cornish notes.**
Good gains were also seen in the Netherlands and Germany, with the latter seeing a rise of 9.5 per cent after a poor showing in May. Against the three month average Germany remained 10.5 per cent down.
***Among the month's disappointments,* Switzerland eased by 17 per cent as the general index declined by 4 per cent. However, Italy was the major loser, turnover here losing 40 per cent, and the market index almost 6 per cent as sentiment began to turn sour over the new government's ability to tackle the budget deficit.**

Written and edited by William Cochrane, John Pitt and Michael Morgan

ASIA PACIFIC

Nikkei edges ahead as Kuala Lumpur advances 2.2%

Tokyo

Arbitrage buying lifted share prices after the yen fell slightly against the dollar, *writes Emiko Terazono in Tokyo.*

The Nikkei 225 average rose 177.63 to 20,718.04 after a low of 30,565.41, and a high of 20,780.26 in the last 20 minutes of trading, gaining strength in the afternoon session on bargain hunting and arbitrage buying.

Volume totalled 292.8m shares against 314m. Some foreign investors were seen taking profits, while financial institutions and investment trusts were the main buyers of the day. However, many investors remained on the sidelines, due to lingering uncertainty over the course of the yen.

The Topix index of all first section stocks rose 9.99 to 1,664.52 and the Nikkei 300 gained 1.66 to 302.47. Advances led declines by 767 to 271 with 143 unchanged and, in London, the ISE/Nikkei 50 index rose 1.87 to 1,352.11.

Buying centred around shares linked to the consumption recovery, and oil exploration in Vietnam. Buy-backs of export oriented, high-technology stocks which had been sold off due to the high yen also supported the index.

Mitsui, the most active issue of the day, rose Y33 to Y880 on its resource development in Vietnam. Marubeni, another trading house, closed Y13 higher at Y550. However, Mitsubishi Oil, whose discovery of a second oil well in Vietnam triggered the recent interest in the theme, fell Y20 to Y1,180 on profit taking.

Department store shares were bought actively on hopes of an increase in consumer spending. Tokyu Department Store rose Y54 to Y829 and Daimaru gained Y32 to Y893. But Kirin Brewery, which recently gained on the hot summer theme, fell Y10 to Y1,220.

Some banks were weaker in spite of arbitrage buying. Industrial Bank of Japan fell Y10 to Y3,180 and Sumitomo Bank declined Y20 to Y2,030.

Electricals were higher. Sony gained Y200 to Y6,060 and Hitachi rose Y10 to Y1,020. Car electronics makers were stronger on reports that the government will push for car navigation systems. Kenwood gained Y32 to Y955 and Alpine Electronics added Y90 to Y2,300.

In Osaka, the OSE average rose 192.58 to 23,148.41 in volume of 35.1m shares.

Roundup

Pacific Rim markets turned in mixed performances.

KUALA LUMPUR saw foreign demand for Malaysian blue-chip stocks, which sent the composite index 2.2 per cent up through the psychological 1,000-point level. The index finished 21.23 higher at 1,010.80. Tenaga Nasional and United Engineers each jumped 70 cents to M$14.0 and M$10.90, while Telekom Malaysia firmed 60 cents to M$19.50.

MANILA rose sharply at the close, spurred by PLDT's rebound in New York and bargain-hunting in other issues. The composite added 47.07 or 1.9 per cent to 2,557.83 as PLDT climbed 3.2 per cent to 1,440 pesos after jumping $2¼ to $55⅝ on Wall Street.

SYDNEY advanced 1.5 per cent, through the psychologically important 2,000 barrier in volatile trade, lured higher by a rally on the futures market. The All Ordinaries index closed 29.1 firmer at 2,007.7.

Brokers said rumours of a large institutional investor doing some portfolio buying also gave the market impetus.

BHP put on 50 cents or 2.8 per cent to $17.94 amid speculation that it was about to embark on a major offshore takeover.

HONG KONG stepped back after the strong rally of the previous two days, surrendering sharp early gains to profit-takers. The Hang Seng index fell 20.63 to at 8,808.28, after an early peak of 8,944.31 in turnover that was little changed at HK$3.84bn.

TAIPEI's early gains were reversed by late profit-taking amid worries that the central bank might tighten monetary policy next week. The weighted index fell 13.62 to 6,304.61, off a 6,392.88 high.

WELLINGTON shrugged off political uncertainty to close slightly firmer, although late selling trimmed the rise. The resignation of Ms Ruth Richardson, the government MP and former finance minister, raised the prospect of a snap election. The NZSE-40 capital index closed up 3.58 at 1974.1 in turnover of $42.3m.

BOMBAY was lower as buying eased on the last day of account in specified shares amid rumours that bourse officials might levy a 20 per cent margin on cash shares. The BSE 30-share index lost 37.89 to 4,093.63.

SEOUL extended early losses which stemmed from profit-taking in most sectors and the composite index fell 3.26 to 958.71. Recently strong smaller-capitalised shares lost momentum after the Securities Supervisory Board said it would crack down on stock price manipulations.

SINGAPORE was little changed but the broad market's tone was improved with pockets of buying seen among blue chips. The Straits Times Industrials index closed 5.85 higher at 2,189.78, with banks, properties and most shipyards in demand.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JULY 13 1994								TUESDAY JULY 12 1994					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	52 week High	52 week Low	Year ago (approx)
Australia (69)	166.67	0.9	157.80	103.41	133.30	149.96	0.3	3.67	165.12	155.67	101.04	130.79	149.50	189.15	138.28	139.25
Austria (17)	188.22	-1.1	178.20	116.78	150.53	150.35	-0.1	1.06	190.32	179.43	116.46	150.75	150.48	196.41	149.02	149.02
Belgium (37)	169.83	-1.0	160.79	105.37	135.82	132.77	0.0	4.16	171.53	161.72	104.96	135.86	132.81	176.67	143.62	149.61
Canada (106)	126.11	0.4	119.40	78.24	100.85	125.99	0.2	2.69	125.66	118.47	76.89	99.53	125.78	145.31	120.54	127.86
Denmark (33)	269.52	-0.6	255.17	167.22	215.54	221.48	0.2	1.34	271.10	255.59	165.89	214.73	220.94	275.79	207.58	210.26
Finland (24)	156.95	0.2	148.60	97.38	125.52	167.74	1.3	0.85	156.67	147.71	95.87	124.09	165.65	156.95	95.42	96.99
France (97)	173.13	0.8	163.91	107.42	138.46	143.16	1.5	3.13	171.84	162.00	105.15	136.10	141.05	185.37	148.60	151.69
Germany (58)	142.36	-0.7	134.79	88.33	113.85	113.85	0.3	1.82	143.35	135.14	87.72	113.54	113.54	147.07	112.69	114.39
Hong Kong (56)	360.45	3.0	341.27	223.64	288.27	357.54	3.0	3.32	349.89	329.87	214.10	277.13	347.08	506.58	271.42	280.04
Ireland (14)	195.24	0.2	184.86	121.14	156.15	177.72	0.8	3.43	194.94	183.78	119.29	154.40	176.26	209.33	157.49	157.49
Italy (61)	85.98	0.6	81.39	53.33	68.75	98.00	1.7	1.64	85.46	80.57	52.30	67.69	96.38	97.78	57.88	67.97
Japan (469)	168.17	-0.8	159.23	104.34	134.50	104.34	0.5	0.73	169.74	160.03	103.87	134.45	103.87	170.10	124.54	150.08
Malaysia (98)	464.76	0.7	440.03	288.38	371.70	463.32	0.8	1.76	461.42	435.02	282.36	365.48	459.88	621.63	322.60	325.09
Mexico (18)	1932.12	-0.2	1829.28	1198.78	1545.19	7182.63	-0.2	1.88	1936.43	1825.62	1184.93	1533.74	7197.83	2647.08	1516.57	1540.42
Netherland (27)	204.80	-0.1	193.91	127.07	163.79	160.87	0.7	3.53	204.96	193.23	125.42	162.34	159.82	207.43	164.59	165.81
New Zealand (14)	66.80	1.0	63.25	41.45	53.43	58.57	0.9	4.08	66.16	62.37	40.48	52.40	58.07	77.59	51.62	52.74
Norway (23)	199.96	0.8	189.32	124.06	159.91	183.03	1.7	1.81	198.27	186.92	121.33	157.04	179.98	208.42	158.74	159.29
Singapore (44)	334.54	1.4	316.74	207.57	267.55	233.07	1.5	1.81	329.89	311.01	201.87	261.29	229.64	378.92	244.27	246.46
South Africa (59)	277.66	0.8	262.90	172.29	222.07	280.40	0.4	2.26	275.34	259.58	168.48	218.08	279.24	284.66	175.93	203.53
Spain (42)	143.24	0.1	135.61	88.87	114.55	137.43	1.1	4.20	143.15	134.96	87.59	113.38	135.96	155.79	116.33	122.13
Sweden (36)	212.56	0.0	201.26	131.89	170.00	238.84	1.0	1.68	212.56	200.40	130.07	168.36	236.54	231.35	168.75	171.22
Switzerland (47)	156.53	-2.1	148.20	97.12	125.19	125.75	-1.4	1.93	159.82	150.68	97.80	126.59	127.47	176.58	124.46	126.87
United Kingdom (204)	191.89	0.9	181.67	119.06	153.46	181.67	1.3	4.15	190.25	179.37	116.42	150.69	179.37	214.96	170.49	172.43
USA (519)	183.12	0.2	173.37	113.62	146.45	183.12	0.2	2.93	182.75	172.29	111.83	144.75	182.75	196.04	176.95	183.49
EUROPE (720)	168.72	0.1	159.74	104.68	134.93	149.18	0.8	3.11	168.51	158.86	103.11	133.47	147.95	178.58	142.82	143.84
Nordic (116)	211.06	-0.1	199.82	130.95	168.79	202.30	0.9	1.47	211.18	199.10	129.23	167.27	200.53	220.60	160.89	162.71
Pacific Basin (750)	174.55	-0.6	165.26	108.30	139.60	113.47	0.6	1.05	175.63	165.48	107.41	139.03	112.78	176.87	134.79	153.39
Euro-Pacific (1470)	171.97	-0.3	162.81	106.70	137.53	128.01	0.7	1.90	172.44	162.58	105.52	136.58	127.12	172.44	143.88	149.27
North America (625)	179.58	0.2	170.02	111.42	143.62	179.19	0.2	2.92	179.21	168.95	109.66	141.94	178.83	192.73	175.67	180.04
Europe Ex. UK (516)	152.38	-0.3	144.27	94.56	121.87	129.69	0.6	2.51	152.83	144.09	93.52	121.06	128.96	157.47	124.77	125.46
Pacific Ex. Japan (261)	240.00	1.7	227.32	148.97	192.02	214.59	1.6	2.86	236.05	222.54	144.44	186.97	211.32	298.21	184.93	186.41
World Ex. US (1653)	172.70	-0.2	163.51	107.15	138.12	131.24	0.7	1.83	173.12	163.21	105.94	137.12	130.38	173.12	145.56	149.95
World Ex. UK (1968)	173.51	-0.2	164.28	107.66	138.77	144.00	0.4	2.07	173.84	163.89	106.38	137.69	143.39	175.58	156.98	158.99
World Ex. So. Af. (2113)	174.52	-0.1	165.23	108.28	139.57	146.47	0.5	2.27	174.70	164.70	106.90	138.37	145.72	178.56	158.54	160.00
World Ex. Japan (1703)	181.25	0.3	171.60	112.45	144.95	171.96	0.5	2.97	180.71	170.37	110.58	143.13	171.04	195.20	166.51	167.50
The World Index (2172)	175.15	-0.1	165.83	108.67	140.07	147.47	0.5	2.27	175.31	165.27	107.27	138.85	146.72	178.97	158.85	160.20

Latest prices were unavailable for this edition.

RECRUITMENT

Jobs: Salary comparisons in smaller companies

Euro-picture restores perspective

Do many of Britain's executives get a raw deal on pay compared with their European counterparts? A glance at the figures in the table to the right might suggest that they do.

While the government, even the Confederation of British Industry, has made pronouncements on the unfairness of certain pay awards to some of the UK's top executives, it looks as if their increases may have been far from representative across managerial grades.

Some organisations have been grumbling for a while that the biggest salary awards to individuals do not reflect reality for most executives. The large increases in the pay packets of many of the utility heads and some of the leaving bonuses and profits on share option schemes reaped in those industries have tended to dominate the headlines.

According to this year's edition of Remuneration in Europe, a salary report covering 36,000 executive pay packages in 12 countries compiled by a consortium of remuneration consultancies, UK executives still receive almost the lowest pay rises in Europe. In 1993 they received 3.9 per cent on average, virtually in line with inflation, while those in Portugal, for example, received 9 per cent.

Looking across the figures supplied for UK executive posts, very few seem to come close to those on offer in other parts of Europe. P-E International, which publishes the report, suggests the picture might not be as gloomy for UK executives as it appears, since the UK has far more large public companies compared to Europe generally.

The base salaries in the larger companies, it says, were still ahead of those of their European counterparts.

The accompanying table is culled from the full report. Priced at £525, it is available from The Centre for Management Research, P-E International Group at Park House, Wick Road, Egham, Surrey TW20 0HW. Inquirers should telephone Joanna Woodford, the project manager, on (0)784 476466, fax (0)784 476369.

Note that the salaries in the table, quoted in the currencies of the base countries in the report, have been converted to sterling exchange rates at the close of the UK foreign exchange market on Friday July 8. The table is confined to seven countries. It does not quote Germany, for example, because it is difficult to break down the pay figures into the two salary size brackets.

Moving story

The proportion of companies offering relocation assistance to newly recruited staff is continuing to decline, according to a survey of 500 companies across the UK. The survey, carried out by Robert Half and Accountemps, the financial recruitment consultants, found that just over half of those questioned were offering relocation expenses compared with 90 per cent five years ago.

This downward trend, says the report, is likely to have an impact on labour mobility, already affected by a depressed housing market.

Four out of five of the companies providing assistance, offered block allowances, varying, on average, somewhere between £2,000 to £3,000.

Most companies with a relocation policy restrict expenses to reimbursement of estate agent, legal fees and removal costs. Other possible allowances were for temporary housing, offered by 80 per cent of them, stamp duty (73 per cent), and bridging loans (35 per cent). Mortgage subsidies were offered by 8.5 per cent.

Geoff Grout, managing director of Robert Half and Accountemps, said the trend could impact on the quality of applicants. "Candidates who feel they are not going to get relocation expenses might restrict their job search to their locality rather than the whole country."

Richard Donkin

	Organisations employing up to 250 people						Organisations employing from 250 to 1,000					
	Lower quartile		Median		Upper quartile		Lower quartile		Median		Upper quartile	
Country: Position	Basic salary £	Total cash pay £	Basic salary £	Total cash pay £	Basic salary £	Total cash pay £	Basic salary £	Total cash pay £	Basic salary £	Total cash pay £	Basic salary £	Total cash pay £
Spain M.D	69,825	74,678	89,775	94,763	110,473	117,780	84,788	98,334	120,698	124,688	139,226	154,613
Sales & Mktg head	41,396	44,887	47,381	52,967	57,586	64,758	46,882	57,117	57,730	61,172	67,256	75,276
Manufacturing	37,406	39,361	45,960	49,092	54,862	59,835	44,887	47,381	52,369	58,468	66,334	69,645
Finance head	34,912	37,341	42,394	47,381	54,862	57,231	39,127	46,882	48,648	56,683	58,279	68,827
Personnel head	34,413	35,660	40,598	42,394	47,381	50,942	41,396	43,466	52,369	54,568	61,920	64,837
Switzerland M.D	72,477	79,823	88,638	98,922	97,943	117,531	91,087	95,494	104,799	116,062	117,531	134,671
Sales & Mktg head	65,132	68,560	69,539	75,905	79,333	88,618	69,539	74,436	75,416	83,251	87,169	100,391
Manufacturing	56,317	60,724	60,724	66,601	70,029	77,864	68,070	77,375	70,029	81,292	81,292	95,984
Finance head	56,317	57,786	61,214	64,642	67,091	73,457	68,560	72,477	73,947	80,313	84,720	94,025
Personnel head	50,830	53,868	56,807	60,235	62,193	67,580	61,704	67,091	68,560	76,395	75,416	83,251
France M.D	72,444	78,234	102,258	114,522	137,513	154,018	76,192	82,294	107,383	120,240	144,240	161,549
Sales & Mktg head	64,852	73,833	83,039	94,668	105,861	120,684	67,951	77,453	889,189	99,087	110,714	126,222
Manufacturing	44,696	50,054	60,696	67,987	76,180	85,321	54,618	61,165	73,705	82,546	92,156	103,219
Finance head	42,198	47,267	59,783	66,966	70,654	79,122	46,954	52,588	66,222	74,162	78,114	87,495
Personnel head	40,996	45,909	60,576	67,843	67,495	75,591	42,930	48,084	63,291	70,894	70,498	78,954
UK M.D	42,475	50,000	59,818	64,000	78,684	105,000	69,668	71,502	79,000	88,500	106,000	124,483
Sales & Mktd head	32,219	36,118	39,250	44,408	46,934	51,652	40,500	43,563	45,420	48,765	62,889	70,800
Manufacturing	29,645	32,000	34,172	36,500	42,000	43,000	37,025	40,020	44,600	48,138	56,502	59,627
Finance Head	33,912	36,425	43,150	47,750	55,750	60,726	43,574	48,500	50,514	52,721	60,250	68,982
Personnel Head	-	-	36,069	36,819	-	-	35,405	38,790	40,943	43,720	49,273	57,679
Belgium M.D	68,892	71,442	75,334	75,334	90,900	95,070	72,720	72,720	94,092	95,589	119,457	129,574
Sales & Mktg head	42,306	47,156	51,885	57,732	65,056	68,728	55,058	56,435	63,580	69,028	85,611	88,445
Manufacturing	45,779	47,515	50,846	52,883	66,513	69,467	52,225	58,870	68,848	70,684	84,755	90,480
Finance head	43,663	48,134	52,504	56,675	58,950	66,932	46,976	46,976	58,571	61,205	69,986	75,553
Personnel head	38,834	44,801	43,524	45,519	47,575	51,007	46,757	48,752	54,260	54,260	57,792	63,879
Netherlands M.D	67,696	71,376	79,470	90,507	88,460	100,441	73,215	79,102	89,403	91,979	114,422	121,412
Sales & Mktg head	55,187	57,027	59,602	60,706	60,706	71,376	63,649	72,479	73,951	80,573	77,630	95,290
Manufacturing	47,461	48,585	52,980	54,819	57,395	62,545	56,843	60,706	65,305	70,272	74,135	81,309
Finance head	44,150	45,989	50,772	53,348	54,083	61,810	48,565	48,565	60,336	63,833	69,536	76,894
Personnel head	-	-	50,404	50,404	-	-	45.989	51.140	55,923	64,017	66,593	75,423
Denmark M.D	87,433	90,003	96,926	103,639	113,080	118,692	95,562	105,108	115,388	122,416	128,500	144,235
Sales & Mktg head	50,351	53,078	54,599	57,641	67,030	69,862	50,875	54,914	61,880	62,981	73,586	75,789
Manufacturing	47,309	49,512	55,806	59,425	67,397	72,747	49,931	51,924	61,523	61,628	71,750	78,674
Finance head	47,204	49,931	58,855	58,009	70,177	70,701	53,078	53,183	62,257	64,040	76,576	80,981
Personnel head	45,316	45,316	50,036	51,505	60,106	61,365	48,253	48,253	60,998	62,781	72,904	74,268

Table compiled by Fumiko Ishiguro

MNB

Foreign Exchange Dealer

Competitive Salary & Full Banking Benefits

Moscow Narodny is a Russian owned British Bank, based in the City of London for 75 years.

We are now expanding our Foreign Exchange Operations to take advantage of new business opportunities.

We are looking for a young and energetic dealer to trade EMS related as well as other currencies to complement our existing foreign exchange team.

You will probably be in your twenties with a minimum of 3 years' experience trading in a lively Foreign Exchange environment and be able to demonstrate that you have the necessary drive and ability to succeed in this demanding role.

There is a considerable opportunity for a self-motivated individual to make a significant contribution as part of a growing team.

If you feel that you have the necessary qualifications, please write, enclosing a full C.V. and outlining present salary, to John Glover, Assistant General Manager - Human Resources, Moscow Narodny Bank Limited, 81 King William Street, London EC4P 4JS.

Moscow Narodny Bank Limited

U.S. Primary Dealer seeks fixed income sales and trading personnel in the U.K. Interested applicants should have a minimum of 5 years experience with a commensurate customer base. Competitive salary and bonus.

Applicant can send resume in confidence to: Box A2089, Financial Times, One Southwark Bridge, London SE1 9HL.

MANAGEMENT TRAINEE

Long term development and growth in private limited company expanding in Central London. Individuals aged 23-35 seeking opportunities in financial markets. Potential to progress to senior management, with full profit participation.

Call:

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EMERGING MARKETS SEARCH & SELECTION

FIXED INCOME SALES

Our client, a well - established fixed-income house with offices in London, New York, Frankfurt and Zurich, wishes to appoint a limited number of fixed-income sales people to be based in London. Owned by blue-chip institutional shareholders, the firm's success rests on its ability to attract high producing sales professionals with established institutional relationships developed over a number of years. Experience within the Emerging Markets, although *not* essential, would be of particular interest.

In return for one of the most attractively incentivised packages in the City, highly professional technical and settlements support, and a pleasant and energising working environment, the successful candidate will demonstrate the following:

- Solid institutional client base
- Proven transportable revenue
- Maturity, independence of spirit, revenue focus

For those requiring remuneration based on results, minimal bureaucracy and total professionalism this opportunity must be explored.

To discuss further, in strictest confidence, please contact Philip Rawlinson on 071 600 4744 or write to: Emerging Markets Search and Selection, A Division of Global Markets Recruitment, 2-9 Masons Avenue, London EC2V 5BT Tel 071 600 4744 Fax 071 600 4717

Coutts & Co

International Private Banking

As part of an expansion plan, the following opportunities now exist in our London International Private Banking Office:

Portfolio Manager

We wish to recruit a Portfolio Manager to manage on a discretionary and advisory basis globally diversified equity and bond portfolios for our international private clients.

The successful candidate will be able to demonstrate a record of success in managing similar portfolios and have a thorough grasp of international investment issues. The ability to speak a foreign language would be an advantage.

Relationship Manager

We wish to recruit an experienced international private banker. The successful candidate will have experience in developing and managing a client base resident in one or more overseas countries.

In addition, he/she will have a good knowledge of trusts, portfolio management and credit products, plus a thorough understanding of the UK regulatory environment.

For both of these positions you will need to possess proven organisational and communication skills and have the ability to work effectively in a team-based environment.

The remuneration package will be negotiable, depending on the level of experience of the successful candidates, and will include bonus and normal banking benefits.

Please write in the first instance, enclosing your curriculum vitae and details of your present salary, to The Personnel Manager, Coutts & Co., 190 Fleet Street, London EC4A 2HT

Coutts & Co. is an Equal Opportunities Employer

MAKINSON COWELL

Makinson Cowell is a specialist independent consultancy which advises leading British companies on their relationships with the financial community. We are seeking to recruit an individual with an investment background and strong analytical skills to work as a member of this close-knit team.

The associate will support one of the firm's five partners in maintaining a small roster of retained clients. The position offers the right candidate good opportunity for career development in a working environment which rewards initiative and enthusiasm.

Candidates are likely to be graduates with two or more years experience in the securities, merchant banking or investment management industries. Candidates must be able to demonstrate fluent report writing skills and computer literacy.

A competitive financial package commensurate with experience will include a full range of benefits. Makinson Cowell is an equal opportunities employer. Please write with a full CV to Marian MacBryde, Makinson Cowell, 16 St John's Lane, London EC1M 4BS.

MEMBERS OF THE SFA

SECURITIES LENDING PRODUCT MANAGER

Our client, a major banking corporation, is expanding its global custody business creating an opportunity for a Securities Lending Product Manager.

Based in London and travelling extensively, you will be responsible for providing comprehensive product management from product development and risk analysis to budgetary control.

This will require full knowledge of US accounting practices and US banking laws and regulations, plus experience of applying these within the European market. You should also be familiar with securities laws and regulatory requirements within global markets. Knowledge of cross border security lending will also be necessary.

An attractive salary will fully reflect your experience.

Please send your career details in confidence to Stafford Long & Partners Recruitment Limited, 30-32 Whitfield St. London W1P 6HR, quoting reference RH5817.

Stafford Long & PARTNERS

CANADIAN DOMESTIC BOND TRADER

Our client, is a major International Securities House, currently expanding its fixed income product range, and now seeks to recruit a skilled Canadian Domestic Bond Trader to set up a team of traders to develop business and contacts in this area.

Applicants must hold a relevant degree from a premier university, be fluent in French and English and have an indepth knowledge of the Canadian Domestic Bond Market gained by at least five years working experience in a major international institution based in Canada.

Candidates should also be able to demonstrate a well established network of international contacts in this market and have proven management, training and supervisory skills.

In return our client offers an exciting opportunity to assist in the further development of this sector of the company's business.

To apply in the first instance please send your C.V. with short covering letter for the attention of:

David Miller, quoting reference, PLS 0/5/60

Miller Leake ADVERTISING

11 Garrick Street, Covent Garden, London WC2E 9AR

EUROPEAN AGENCY FOR THE EVALUATION OF MEDICINAL PRODUCTS (LONDON)

is currently selecting candidates with a view to establishing a reserve list for the posts of:

HEAD OF UNIT (A5/A3)

In the following fields:

EMEA/A/1/A ADMINISTRATION AND SUPPORT SERVICES
EMEA/A/1/B TECHNICAL COORDINATION
EMEA/A/1/C EVALUATION OF HUMAN MEDICINAL PRODUCTS
EMEA/A/1/D EVALUATION OF VETERINARY MEDICINAL PRODUCTS

OFFICER (A7/A4)

In charge of:

EMEA/A/2/E PERSONNEL, ADMINISTRATION AND LEGAL AFFAIRS
EMEA/A/2/F ACCOUNTING
EMEA/A/2/G IT AND COMPUTING
EMEA/A/2/H CENTRALIZED PROCEDURES FOR HUMAN MEDICINAL PRODUCTS
EMEA/A/2/I DECENTRALIZED PROCEDURES FOR HUMAN MEDICINAL PRODUCTS
EMEA/A/2/J PROCEDURES FOR VETERINARY MEDICINAL PRODUCTS
EMEA/A/2/K PHARMACOVIGILANCE
EMEA/A/2/L INSPECTION
EMEA/A/2/M DOCUMENTATION AND ARCHIVING
EMEA/A/2/N FINANCIAL CONTROL

The complete notice with a description of the duties and qualifications required (including work experience of at least 12 and 6 years respectively as specified in the notice) are published in Official Journal of the European Communities C171 A of 24/06/1994. They can also be obtained by writing to the following address, giving the reference EMEA/A/... and the field in question:

EMEA, c/o European Commission, Secretariat of the Research Selection Committees, SDME R2/51, rue Montoyer 75, B-1049 Brussels, Belgium (fax: XX32-2-296 22 39).

The forms, duly completed and signed, must be returned to the above address not later than 25 August 1994, as evidenced by the postmark.

GENERAL CONDITIONS:
Contracts: Fixed term renewable contracts.
Nationality: Candidates must be nationals of a Member State of the European Union.
Place of employment: London.

The Agency is an equal opportunities employer.

Sargent Brothers Ltd.

Currently seeking university educated individuals to supplement successful, exchange based (LIFFE) options market making firm. Candidates must be competitive, motivated and highly numerate. All interested parties, please forward CV to:

Gregory O. Sargent
Sargent Brothers Ltd.,
Albert House,
49 Queen Victoria St.,
Rms 19-21,
London EC4N 4SA
England

EQUITY DERIVATIVE SALES

We are an independent firm of brokers providing value-added services to leading financial institutions in UK and Continental European equity derivatives. Due to expansion, we seek a candidate who will have a minimum of two years experience in a similar role and should be able to communicate effectively with fund managers and traders alike. The ability to generate original trading and hedging ideas will be required, as will the ability to increase existing levels of business. Our need is for an individual who can work as part of a team and who is results orientated. Previous experience of LIFFE, MATIF, DTB, etc. and OTC products would be preferable. Knowledge of a European language is desirable.

TRAINEE EQUITY DERIVATIVE SALES

This position would suit a recent graduate (Economics/Business/Maths) or an individual with City experience wishing to progress into derivative markets. The ability to grasp new ideas & concepts quickly will be essential. Computer skills would be an advantage.

Please send C.V. and covering letter to

Callum Campbell
Spinnaker Securities Ltd.
Bell Court House
11 Blomfield Street
London EC2M 7AY

Spinnaker Securities

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Sub-Saharan Fund Manager

Unique opportunity for an African specialist to make a lateral career move into emerging market asset management. The role is to launch and run the Sub-Saharan fund for this market leader. This specialist emerging market team manages assets in excess of US$ 3 billion and is enjoying considerable success as an integral part of a major international blue-chip firm.

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- Implement a strategy to launch, market and run the Sub-Saharan investment fund liaising with new and existing investors, reporting to the Chief Investment Officer.
- Handle all aspects of stock selection for the Sub-Saharan continent and contribute to broader asset allocation decisions for Africa as a whole.
- Ensure familiarity with the existing regulatory environment and anticipate political and economic developments through contact with intermediaries and regular travel.

THE QUALIFICATIONS

- Aged 30 or over, preferably born in the region, with an MBA or equivalent. Minimum of five years' experience in merchant banking, asset management or stockbroking with a major international institution.
- Some knowledge of the relevant stock markets in the region with an awareness of the due diligence necessary to commit funds into the market.
- An existing network of contacts in the financial community, particularly in South Africa, with the drive and initiative to expand this contact base. The stature and presence to establish credibility with the international investor community.

Leeds 0532 307774
London 071 493 1238
Manchester 061 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. F01560741,
16 Connaught Place,
London W2 2ED

CJA

RECRUITMENT CONSULTANTS GROUP
2 London Wall Buildings, London Wall, London EC2M 5PP
Tel: 071-588 3588 or 071-588 3576
Fax No. 071-256 8501

STRUCTURED FINANCE SENIOR TRANSACTOR

LONDON | **COMPETITIVE PACKAGE**

LEADING INTERNATIONAL INVESTMENT BANK

Our client has an innovative record in asset securitisation and structured finance and seeks to recruit a senior transactor with an experience of originating, negotiating and closing structured transactions utilising capital markets products and derivatives. The Structured Finance Senior Transactor will work as part of a small team reporting to the Head of the Department. The successful candidate will have 2 or more years' transaction experience in one or more of the following areas: re-packaged loan financing,collateralised bond obligations, structured loan syndication, cross-border financing, tax-based structured financing, derivative funds, future cash flow securitisation or asset backed securitisation. The position offers a competitive remuneration package including the full range of banking benefits. **An exceptional career opportunity also exists for a less experienced transactor to join the team.** Applications in strict confidence under reference SFST4983/FT to the Managing Director, CJA.

Opportunity to develop European marketing skills, with scope for career progression.

MARKETING MANAGER - EUROPE

CITY OF LONDON | **£40,000-£45,000 + BONUS**

ASSET MANAGEMENT ARM OF MAJOR INTERNATIONAL FINANCIAL ORGANISATION

Our client manages a substantial pool of global equity, bond and balanced account portfolios from London for international institutional clients. We invite applications from candidates (likely to be aged 26-35) with a minimum of 3 years' financial sector marketing experience. Experience of marketing in Europe and language skills will be useful. The successful applicant will be responsible for marketing the group's expertise in the management of Japanese and Asian equities and global fixed income and global balanced portfolios to pension funds, insurance companies, governments, central banks and other supranational organisations and local intermediaries throughout Europe (30%-40% travel). Working closely with the Managing Director, there will be the opportunity to develop products and define marketing strategy. The brief includes maintaining the profile of the group by writing articles and the preparation of marketing literature. The essential qualities are initiative, a strong personality and exceptional communication and oral/written presentation skills. Initial remuneration is negotiable £40,000-£45,000 + bonus and full benefits package. **Applications in strict confidence under reference MME4987/FT to the Managing Director, CJA.**

ESTABLISHED SOUTH AFRICAN BANKING OPERATION

Following the political developments in South Africa our client is committed to expanding its London operations, and product range. These new positions offer scope for career development and increased earnings for individuals capable of making a major contribution to profits and offer longer term career progression internationally.

HEAD OF PROPRIETARY DEALING

CITY OF LONDON | **£40,000-£60,000 + INCENTIVES**

The Head of the proprietary risk taking unit in the dealing room will be responsible for building Rand business in London through active trading in the spot and forward Commercial and Financial Rand markets and will develop proprietary risk taking in third currencies. Applicants must have 5-7+ years' experience, including 3 years in the Rand markets. Candidates with similar experience in exotic currencies will also be considered, but all candidates must be able to demonstrate an exemplary track record. **Reference HPD4985/FT**

DERIVATIVES TRADER

CITY OF LONDON | **£30,000-£40,000 + INCENTIVES**

This position will be attractive to qualified, younger candidates with 3-5 years' experience in IR and FX derivatives and a flair for innovation. Initially responsible for proprietary trading at the short end of the market (financial futures, FRAs, FXA/ERAs) the successful applicant will work closely with the Treasury Manager to develop the market in similar South African products. A thorough appreciation of accounting and risk controls is essential. **Reference DT4986/FT**

Initial remuneration and incentive driven package will be negotiable for candidates with more experience. Candidates wishing an initial confidential discussion please telephone 071-638 0680 or fax/write quoting appropriate reference to the Managing Director, CJA.

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cib

The Chartered Institute of Bankers

Commercial Director

c £45,000 plus benefits

The Institute is seeking an energetic, bottom line oriented Commercial Director who will be responsible for developing and creating new products and services for more than 90,000 members in the UK and worldwide.

A member of the Executive, the Commercial Director will have excellent and proven negotiating skills, an in-depth understanding of publishing, both books and magazines, and be well versed in all aspects of electronic media and delivery systems. Some experience of organising conferences and project management will be useful.

Write with full CV to:

Gavin Shreeve, **Chief Executive,**
The Chartered Institute of Bankers, 10 Lombard Street, London EC3V 9AS
Closing date Friday 29 July 1994. Tel: 071 623 3531

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Brewin Dolphin Bell Lawrie Ltd is one of the leading private client stockbrokers and portfolio managers in the UK, with some £5 billion under management, including £900 million of discretionary funds. Brewin Dolphin Holdings PLC, its parent company, is listed on the London Stock Exchange.

We have 12 branches throughout the UK and are presently looking to expand our Manchester office. If you have a portfolio of quality advisory and discretionary clients, and are keen to join a developing firm, please write with full details to: *David Cooper, Brewin Dolphin Bell Lawrie* Ltd., Central Buildings, 11 Peter Street, Manchester M2 4QM.

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Institutional Investor Relations

Operating in complex global markets, S.G.Warburg is a leading provider of financial solutions to an international client base. Our corporate clients are both demanding and discerning; our service to them must be innovative and flexible. As a consequence, we have built the leading institutional investor relations team within the investment banking community. The team is responsible for providing advice to corporate clients on all aspects of institutional equity investor communications.

To grow this service further, we now seek to recruit two ambitious professionals, one to focus on our UK clients, the other dealing with our international business.

The individuals we seek will have a minimum of two years' experience gained ideally within a broking or fund management environment. The roles involve liaison with senior client contacts, so you must be a confident, credible and highly motivated communicator who can fit easily into a team environment. Your ability to build long term client relationships will be important.

For the right individuals, there is a competitive remuneration package, as well as the opportunity to build a successful career with S.G.Warburg.

To apply, please write with full career and salary details to:

J. R. W. Williamson, Director - Group Personnel
S.G.Warburg Group Management Limited
1 Finsbury Avenue
London EC2M 2PA

S.G.WARBURG

Swiss Stock Market

Market Strategist Zurich

Our client is a leading Swiss Bank based in Zurich with a wide international network. It seeks to recruit an economist with strong experience in the analysis of global financial markets and extensive knowledge of the Swiss stock market to drive its investment research strategy for Swiss equities.

The market strategist will take the lead in formulating investment policies for the Swiss stock market, based on economic fundamentals, quantitative and technical analysis and the forecasts of the bank's sector analysts. Other activities will include reports and regular publications on topical research, support to the securities sales activities of the bank at home and abroad and close contact with the financial press.

Candidates should have a masters degree or doctorate in economics and proven experience in company analysis, including technical and quantitative methodologies. Knowledge of the Swiss stock market and of derivative instruments are prerequisites. Candidates will have a background in financial analysis or portfolio management and will now want to bring their skills into a challenging role which will allow them to use their strategic capabilities beyond day to day business. High communication skills, flexibilitiy, assertiveness and effectiveness in a team environment are essential qualities. Working languages are German and/or English. The strategic importance to the bank of this position will be reflected in its level, career potential and remuneration package.

To apply, please write – in confidence – with full CV to Thomas Schnoz, MSL (Schweiz) AG, Eidmattstrasse 36, 8032 Zurich, Tel. 01 383 20 62, Fax 01/383 21 26

MSL (Schweiz) AG
International Consultants in Search and Selection

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Excellent Salary and Benefits

Nomura International, headquarters of the European arm of one of the world's largest securities houses is currently seeking a senior individual, preferably a chartered accountant, to join their London finance team to cover the debt derivative markets.

The position will report to the Head of Finance and be responsible for trading, funding and brokerage support in all debt derivatives. Only candidates with at least 3-5 years' experience, who have a sound knowledge of accounting procedures and Swap pricing models need apply. The position has a very "hands on" approach, dealing directly with individual swaps traders providing P/L movement on an intra-day and monthly basis.

This position presents an ideal opportunity to be directly involved in the front-end derivative markets. The successful candidate will be well-remunerated for a high level of commitment, innovation and team spirit.

For a confidential discussion please contact David Reynolds, Tel: 071-236 2400, Fax: 071-236 0316 or apply in writing to Sheffield-Haworth Limited, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

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Senior Credit Analyst

Energy & Natural Resources

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ING Bank is part of one of Europe's major financial institutions (ING Group), holding a prominent position in the areas of Corporate Banking, Trade & Commodity Finance, Emerging Markets and International Treasury.

As part of the continuing expansion of our London operations, we are seeking a Senior Credit Analyst in the Project and Export Finance area. The position will involve investigations and analyses of projects, companies, counterparties and related business opportunities, together with the production of effective financial analysis, control and risk assessments.

Candidates should be graduate calibre, preferably US credit trained with a minimum of 3 years international credit experience and have worked most recently within a project finance team.

PC skills, including a working knowledge of Lotus 123 are essential.

If you feel that your skills and experience match the above, please write in confidence with a full CV to:

Margaret Oddy, Assistant Manager Personnel
Internationale Nederlanden Bank NV
2 Copthall Avenue, London EC2R 7BD

ING BANK

EUROPEAN EXECUTIVE-SEARCH FIRM

Due to expansion we are currently seeking two research assistants for our London office with proven experience obtained in an international search firm. Preference will be given to applicants with a thorough knowledge of the financial markets.

The candidates will be expected to work closely with the partners in charge, demonstrate excellent communication skills and possess an extremely high level of integrity.

Prospective candidates should be team oriented, creative and will be expected, when necessary, to accompany partners to client meetings in Europe.

Aged between 30 and 40, fluent in French, they should be highly motivated and capable of working to tight deadlines.

In the first instance please call or write in the strictest confidence to Mr. Eric SINGER.

SINGER, DANTON & HAMILTON

Chesham House, 150 Regent Street, LONDON W1R 5FA
Tel. (071) 434-2469

GEOLOGIST, COMPUTER SERVICES

BHP, one of the largest and most successful natural resource companies in the world, needs a computer support/GIS person with a geology background for our Exploration office in London.

The successful candidate will be responsible for conducting training and providing support for geological computer software, coordinating system use and database building among overseas locations, monitoring developments of geological surveys and international agencies and advising management on computer applications, policy and purchases.

Proficiency with DOS, Windows and UNIX/IRIX for configuring, tuning and maintaining systems operation is required. Talent for working with plotters, scanners, digitizers and experience with Techbase, AutoCad and ARC products is desirable.

Applicants should have university level education in geology or a related discipline, preferably with some practical field experience in minerals and an understanding of maps. Formal training or acquired mastery of cartography and geography is required.

No phone calls please.

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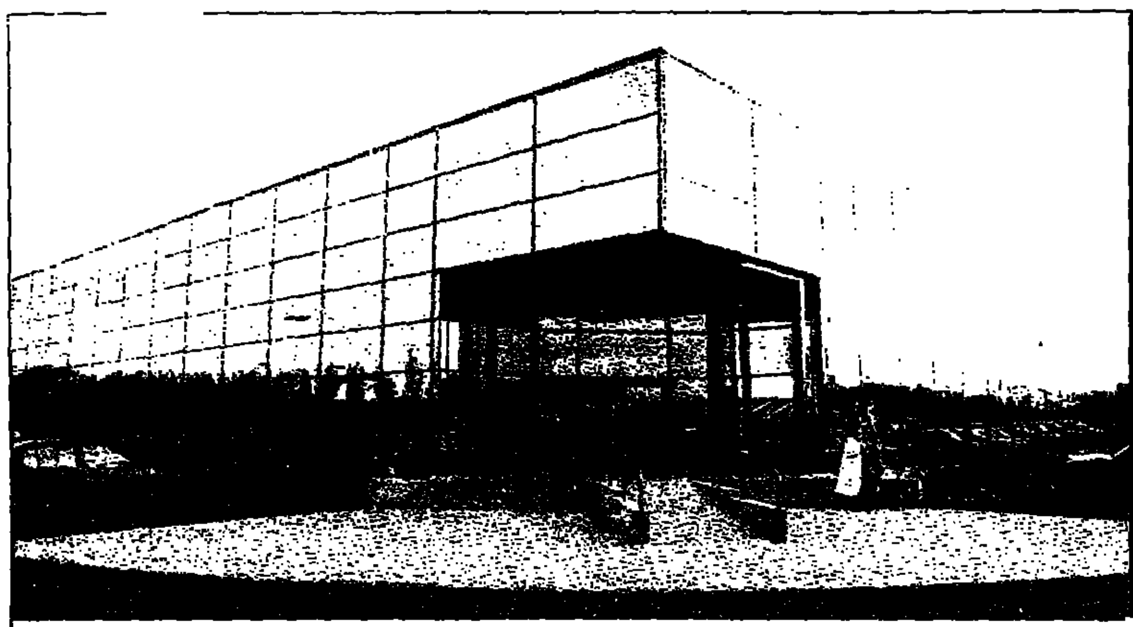

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GSBA RECRUITMENT

ACCOUNTANCY COLUMN

Partners contemplate a new existence

Andrew Jack explains why liability and more positive factors are making incorporation an attractive option

Just one month after he took over from Mr Jim Butler as head of KPMG Peat Marwick at the start of this year, Mr Colin Sharman called a meeting of the firm's inner sanctum of 25 "general partners" to discuss a radical proposal for change.

He put forward a suggestion that has stirred the profession in the last two weeks, since the news emerged that KPMG, the UK's second largest firm, was considering abandoning its traditional legal status as a partnership in favour of incorporation.

When details of the plan emerged, much of the rhetoric focused on incorporation as a technique to limit the liability of partners from vexatious legal actions. In practice, the issue is far more wide-ranging. For professional partnerships as a whole, the motives are varied and the results mixed.

At a country hotel in Berkshire at the start of this month, the KPMG general partners met again and agreed to set up a small sub-committee of three, including Mr Sharman, to take the idea further. They have until late September to report back, before making proposals to the full partnership at its annual meeting in October.

The sub-committee faces some formidable challenges. One of the frustrations is that little is known about incorporation in professional firms. Few of any size have so far done it, and little research exists on how successful it has been.

KPMG is not alone in considering the issue. For example, Mr Ian Brindle, senior partner of Price Waterhouse, says: "It is more a case of when than whether". He says the firm is examining incorporation, but is unlikely to make a decision even within the next 12 months.

Like KPMG, Brindle argues that the escalating lawsuits against accountants is a key force for change. "The driver is the liability situation," he says. "It's got so out of hand." The same view is taken in a fact sheet issued to its members last October by the Chartered Association of Certified Accountants.

By incorporating, a firm gets around the difficulty that all the personal assets of all of its partners are at stake. The firm itself can still be sued as a corporate entity, but most of the partners would have their own wealth protected.

Those still at personal risk would be the ones directly involved in the advice which led to the legal action being taken, who could still be sued individually. They, like the firm, would attempt to buy insurance cover for their protection.

"What it gets around is the problem of the Aberdeen tax partner suffering because of a muck-up by an audit partner in the south east of England," says Sharman.

Incorporation also crystallises outstanding legal actions so that new members joining the partnership would be protected from the legacy of the past. "It offers a psychological feeling of well-being to partners for today and tomorrow that when they go home they still have a home to go to," says Brindle.

However, it still falls short of the large accountancy firms' desire to limit "joint and several liability", by which they can be ordered to pay all damages in a court case even if they were only partly to blame.

A firm's reputation may be severely damaged or it may be driven out of business entirely by legal settlements. But it places the accountants in the same position as any company.

These worries are less significant in other professions. Mr Chris Bramall, head of professional ethics at the Law Society, says that firms of solicitors have been able to incorporate since January 1992, yet only a handful of sole practitioners have so far done so. "No one has really shown any interest in it," he says.

Mr William Corbett, chief executive of Stephenson Harwood, the law firm, says: "The number of outstanding claims against accountants is huge. There is simply not the same level of against solicitors. When these large financial transactions go wrong the auditor is a very much closer and easier target than other professionals."

He concedes that he has considered incorporation for his firm regularly – the last time just six months ago – but has so far ruled it out. He says one drawback for lawyers is a reluctance to disclose their fee income.

Mr Bramall also highlights drawbacks to incorporation which are as important for accountants as for lawyers and other types of firm: notably the transitional tax costs of restructuring. For newly-created partnerships, this is less of an issue.

More generally, there are considerable cost implications: in the payment of national insurance and health contributions, pensions and taxes. Yet the traditional benefits of partnership over corporate structure are now declining, partly as a result of the move to current year assessment by the Inland Revenue. Declining profits and falling inflation have reduced the benefits of deferral of tax that have been possible up till now.

KPMG is in any case believed to be examining some tortuous legal structures involving a combination of limited partnerships and corporate shells in an attempt to ameliorate its tax bills.

Incorporation has other clear benefits. Few professions have gone as far as the chartered surveyors, which relaxed their rules on incorporation as far back as 1986. A number of firms have now not only taken on a corporate legal structure, but sought outside capital through investors and stock market quotations. Access to outside investors is already possible for accountants and being considered in revisions to Law Society rules.

Mr David Buck, vice chairman of Debenham Tewson & Chinnocks, the surveyor which floated in 1987, says: "We were operating in an increasingly competitive market which promised to put a brake on internal generation of capital to grow the business. We had aspirations to become a worldwide property adviser."

He says that outside investment has not raised concerns from clients about interference and independence, but has given the company access to additional resources. He adds that disclosure of profits has proved "a good thing" and has no regrets about the decision to go public.

Mr Sharman at KPMG rejects the suggestion that outside capital as a fund for investment is a necessity – although some of the firm's activities in eastern Europe and south east Asia do suggest substantial costs that require funding. But he concedes that his interest in incorporation is far broader than purely as a response to liability pressures.

He is more interested in the management impact incorporation might have: whether a corporate legal structure would better permit more corporate-style governance, or jeopardise the partnership ethos.

A corporate structure might, he argues, make it easier to give long-standing non-partners an equity stake, relieve the current heavy demands for capital from newly-elected partners, and make remuneration more flexible, for example.

These are problems that never troubled his predecessors, which controlled accountancy firms with partner numbers in double digits. KPMG now has nearly 600 partners in the UK alone.

It is a management challenge for the larger accountancy firms that does not exist for many of their rivals – neither for the smaller accountants, or most of the lawyers and surveyors let alone stockbrokers, consultants and merchant banks that have remained partnerships.

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Reporting to the Managing Director, the new Accounting and General Administration Manager will be a member of the Senior Management Team and will be responsible, in addition to the Finance function, for Personnel and Administration. The aim is to provide effective contribution to the company's success and profitability by ensuring that all the functions run to the very high standards of this prestigious company. Candidates for the position should be Chartered Accountants with up to 10 years experience at a high level gained preferably in fast moving consumer goods (fmcg) companies or in a sales and production geared environment.

Candidates should be able to demonstrate a pro-active hands on approach and have the potential to progress their career into top managerial role.

Please send your curriculum vitae with current salary details and an explanation of how you meet these requirements to Suzanna Karoly, Ernst & Young Corporate Resources, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH, quoting reference SK555.

ERNST & YOUNG

Finance Director

Manufacturing

To £50,000 + Bonus & Benefits **North East**

Outstanding opportunity for ambitious accountant, with imminent General Management aspirations, to play a leading role in the development of this UK market leader.

THE COMPANY
- Autonomous UK arm of $2bn US specialist manufacturing group.
- 4 subsidiary companies; £22m turnover; 400 employees.
- UK market leader; acquisitive strategy; aiming for European domination.

THE POSITION
- Finance Director of major subsidiary; £16m turnover, 250 employees.
- Additional roles as Group Financial Controller and Company Secretary. Report to Chief Executive.
- Head up and develop IT and finance departments. Key involvement in acquisitions activity.

QUALIFICATIONS
- Qualified accountant, probably a graduate, with exposure to a non-finance function.
- MIS literate; has ideally handled transfer from main frame to LAN operations.
- Autonomous, hands-on operator. Familiarity with US accounting procedures an advantage.
- Energetic with strategic vision and a compelling desire to run own show.

Please send full cv, stating salary, ref MN2756, to NBS, Courthill House, Water Lane, Wilmslow, Cheshire SK9 5AP

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GROUP FINANCIAL CONTROLLER

to £40,000
+ Car + Benefits

Surrey

Operating within the food processing and distribution sectors this successful plc has clearly established itself amongst the recognised market leaders. This achievement is the result of a continual strategy to improve the quality of the business activities and through an aggressive acquisition programme now firmly implemented.

This clearly devised strategy will be further strengthened by the appointment of a talented finance professional who can contribute to a number of key initiatives and promote the role and impact finance will have in terms of future expansion, development and control.

Specifically you will:

- Take full responsibility for all reporting, controls and systems and provide timely input to strategy and planning.
- Appraise the financial performance of the UK operations and develop strong relationships with commercial Management.
- Establish a strong finance function capable of understanding and reacting to the ongoing needs of the business.

As a qualified Accountant aged in your mid 30's you must demonstrate a significant level of achievement gained over 4 years in a forward planning manufacturing/distribution environment. You will command respect and credibility at both Board and operating levels and be seeking a role offering excellent rewards and genuine career prospects.

*Interested candidates should write to **Mark Rowley** enclosing a full curriculum vitae and quoting Ref MR500 at Harrison Willis, Cardinal House, 39–40 Albemarle Street, London W1X 3FD.*

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c.£40,000 + Substantial Package **Central Scotland**

Fast growing and successful international plc with worldwide markets. Emphasis on technological expertise.

THE COMPANY
- Market leader with expanding export opportunities.
- Creative management team with sound business acumen.
- Track record of well focused product development combined with stringent quality controls.

THE POSITION
- Incisive evaluation of products and markets.
- Develop first class management information systems, commensurate with growth.
- Key international role in corporate financial planning.
- Appraisal of strategic business opportunities.

QUALIFICATIONS
- Qualified Accountant, graduate calibre. Technical and creative, with ability to operate across diverse functions.
- Experience at senior level in operating company; plc ideal.
- Thrives in fast moving, commercial environment.

Please send full cv, stating salary, ref GN2757, to NBS, Victoria Chambers, 42 Frederick Street, Edinburgh EH2 1EX

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General Motors, one of the world's largest companies, has increased its market share and strives to remain a world leader in transportation production and services.

GM's vision is to continue to build customer enthusiasm by focusing its people and its processes on teamwork and continuous improvement in all areas of the business.

GM have several strategic advantages that make the vision reality: a large customer base, a large and excellent car and truck dealer network; strong brands; a global presence in engineering, manufacturing and marketing; a management team with broad international experience, and most of all, a worldwide team of diverse, capable and motivated employees.

Operating in almost all the countries around the globe with a turnover in excess of US$138 billion the company's philosophy is based on recruiting, developing and maintaining the best talent available.

Standards of excellence prevail across all our business operations and we are constantly reviewing practices, procedures and systems through the International Audit function ensuring optimum levels of effectiveness, particularly the GM activities located in Europe, Asia-Pacific, Africa and South America.

Due to demand from GM's worldwide operations we are seeking exceptional individuals to fill important posts in their dynamic International Audit function.

Candidates should be bright, commercially aware and ambitious with at least three years auditing or related work experience alongside a graduate professional accounting qualification and/or an MBA. Individuals should be able to understand international cultural differences, be able to tune into local needs and be committed to adding value to the operating companies management process.

A rigorous analytical approach combined with excellent interpersonal skills is essential. European languages advantageous.

These positions are based out of Vauxhall and Opel locations in UK and mainland Europe, however candidates must be prepared to undertake significant world wide travel, up to 100% (single and couples accepted through a travel and accommodation policy which reflects the importance of each role).

If you recognise these posts as the most challenging openings in International Auditing currently available, respond in writing sending a CV to our retained consultant Guy Matthews at GMS, Goodman Masson Shaw, 2 Bath Street, London EC1V 9DX; Tel: 071 336 7711; Fax: 071 336 7722 (any direct application will be forwarded to Goodman Masson Shaw).

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- Reporting to the Finance Director, key responsibilities will be leading the management accounts team and providing direction to the control and audit department.
- Immediate objectives include ensuring the structure and skills within the division are able to meet the growing demands of a complex and dynamic business.
- Successful candidates will have gained a thorough understanding of both financial and management accounting disciplines in a blue chip multi site service or retail environment.
- Aged mid 30's, a qualified accountant with board potential, a combination of technical skills and commercial ability and the stature and confidence to influence at the most senior levels.

Please apply in writing quoting Ref: 768
with *full career and salary details to:*
Richard Pearson
Whitehead Selection Limited
4 The Courtyard, 707 Warwick Road
Solihull B91 3DA. Tel: 021 709 0909

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ESTABLISH A LEADING-EDGE FUNCTION

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- High profile new appointment within the UK subsidiary of a major multinational, reflecting a more independent, influential and creative role for the strategic planning function following a recent reorganisation.
- Reporting directly to the Managing Director, heading a multi disciplinary team which drives the strategic planning process, challenges and evaluates the strategies owned by the management group and ensures that sufficient focus is given to strategic matters.
- You will also contribute on a wide variety of issues as a member of the senior management team, working to enhance the performance of the business, taking the initiative rather than reacting to events.
- Around five years' experience within an established strategic planning function of a blue chip corporate or consultancy, with a track record of contributing to improved company performance.
- Aged 35-45, MBA or qualified accountant. A strong intellect, creative, with market focused business acumen, willing to question traditional thinking.
- Excellent interpersonal skills, highly persuasive, a confident communicator and presenter. Resilient and assertive, flexible and pragmatic. Well developed management skills and a 'team player'.

Please apply in writing quoting Ref: 773
with full career and salary details to:
Susan Ryder
Whitehead Selection Limited
43 Welbeck Street, London W1M 7HF
Tel: 071 637 8736

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FINANCE DIRECTOR

SUCCESSFUL YOUNG BUSINESS WITH AMBITIOUS GROWTH PLANS

WEST LONDON **£70,000 + BONUS + BENEFITS**

- Part of a large, international multimedia group, this £80m+ turnover subsidiary is already a leading player in its market.
- Comprising a number of profitable businesses, its culture is one that promotes teamwork within a dynamic and informal environment.
- Working closely with other members of the senior management team, your brief is to help the business achieve its plans for further profitable growth. This will include involvement with acquisitions and joint ventures, management and statutory reporting, and financial control.
- A qualified accountant, probably aged 35-45, you are likely to have already held an FD role or be used to contributing to the development of a business at a strategic level.
- You must be able to demonstrate the ability to operate successfully within a fast-paced, service orientated culture.
- Strong presentation skills, combined with a commercial outlook and flexible approach will help ensure synergy with the senior management team. The ability to engender team spirit and maximise performance at all levels will be key to success in the role.

Please apply in writing quoting Ref: 772
with full career and salary details to:
Susan Ryder
Whitehead Selection Limited
43 Welbeck Street, London W1M 7HF
Tel: 071 637 8736

Whitehead SELECTION
A Whitehead Mann Group PLC company

Secretary-General

International Accounting Standards Committee

The IASC is an independent private body, based in London, working for the improvement and harmonisation of financial reporting worldwide. Its standards are increasingly used to form the basis of national requirements in many countries.

Reporting to the Chairman and the Board, the Secretary-General is the Chief Executive and responsible for the effective management of all staff. Important aspects are providing the necessary support to the Board, and ensuring the highest quality of its technical pronouncements and the maintenance of its due process.

This is a high profile international position, requiring a person of stature who will liaise actively at senior level with Governments, regulatory authorities, stock exchanges, financial institutes and the Profession throughout the world.

Candidates are likely to be aged between 40 and 55, probably a qualified accountant with strong technical and promotional abilities. They must speak English, but other languages would be desirable.

They must possess a first class reputation recognised internationally, and have earned the respect of senior practitioners in the field of financial reporting.

Important personal qualities will be self motivation, a high level of intellectual and technical competence. first class administrative and communications skills, a passionate belief in international harmonisation of financial standards, and the drive and dedication to handle a diverse and demanding workload.

An attractive remuneration package will be negotiated with the successful candidate.

Please reply in confidence to Hamish Kidd who is advising on this appointment.

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In the fiercely competitive world of investment banking, Bankers Trust remains a truly exceptional global player. With 1993 profits in excess of $1 billion and a worldwide presence, we provide sophisticated financial solutions to our clients, superior investment returns to our shareholders and rewarding, challenging work for our people. Specifically, we are global leaders in the areas of cash and securities processing, trust services and asset management.

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Success brings growth and we now need to recruit an ambitious Financial Controller. Yours will be a varied brief, involving financial analysis support to a range of our business units in London, Edinburgh, Frankfurt, Dublin and Luxembourg. You will also liaise with local controllers, internal audit professionals, operations groups and New York.

You must be able to demonstrate between six and eight years' relevant experience in management accounting, planning and forecasting. With a good degree in either accountancy or finance, you are PC literate and can point to significant exposure to a financial environment. Equally important will be your potential to achieve more, your energy and enthusiasm, your commitment and quality of approach and your grasp of business issues.

If you can deliver to this demanding brief, you will not be disappointed with either the salary and benefits or the future career prospects.

To apply, please write with full career and salary details to
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Broadgate,
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EXCEPTIONAL PEOPLE ARE OUR FUTURE.

Poland

Excellent Package

Management Information Systems Leader (Operations and Finance Focus)

The Company
With turnover in excess of $3bn worldwide, this world class FMCG company is a market leader in its field. Internationally, our client enjoys a presence in eighty countries and is looking to penetrate further into the dynamic, fast moving, emerging market economies. Their operations in Eastern Europe include the manufacture and distribution of high quality consumer goods. The existing large manufacturing and distribution network in Poland is seen as one of the strongest areas for future growth, expansion and profit contribution.

The Position
Initially, you will be responsible for the development of existing computer systems into true management systems (MIS) and infrastructure. The focus will be on both contributing to the bottom line as well as changing the company's culture. Knowledge of Sun Business Systems and latest state of the art systems integration techniques are key to this job. Success in this high visibility area will prepare you for assuming broader, senior responsibilities in the overall financial policy, finance and administration/operations areas. Hence a knowledge/experience with finance and/or operations is required.

The Candidate
Significant experience in various capacities in MIS departments within growing and dynamic business environments, together with the ability to cope with difficult challenges will contribute to your success. A hands-on approach to problem solving and systems administration is essential as are your skills as an experienced team player. These attributes, combined with a strong, no nonsense pragmatic approach and the motivation and dedication to succeed will distinguish you from your contemporaries. Above all, good business acumen gained through your accountancy studies or MBA will enable you to further develop your managerial skills. The preference is for Polish speakers, although candidates with basic Polish and/or work experience in Poland are encouraged to apply.

Please send a full resumé with a covering letter to the address/fax below quoting reference FT 2296 on all correspondence. Applications will be treated in strictest confidence.

ANTAL INTERNATIONAL
Executive Recruitment
8 Alice Court • 116 Putney Bridge Road • London SW15 2NQ
Tel: +44 (0) 81 874 2744 (8 lines) • Fax: +44 (0) 81 871 2211

Project Accountant

City

BZW Markets is a major force in global financial markets. Renowned for its innovative range of products, BZW is committed to the expansion of its trading activities.

Key to the development of the global money market and foreign exchange businesses will be the provision of accurate and meaningful management information. The role of Project Accountant has been created to facilitate this.

Projects will include:
- Automating and developing the management reporting function.
- Developing risk reporting and analysis.
- Developing a high level; sophisticated financial reporting package.
- Managing special projects under the direction of the CFO.

The qualifications for this role will be:
- A graduate qualified ACA, with 1-3 years post qualified experience.
- Experience of treasury products.
- Good spreadsheet skills would be desirable.

For the right individual the role will offer both variety and unrivalled career progression. Remuneration will be flexible depending on the level of experience but is likely to be in the range of £35,000-£40,000 plus banking benefits.

Interested applicants should forward their curriculum vitae to **Andrew Norton at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.**

All direct applications will be forwarded to Michael Page.

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ENGLISH PARTNERSHIPS

c. £45,000 plus excellent benefits

London

Financial Planning and Control Executive

English Partnerships brings together English Estates, City Grant and Derelict Land Grant, to create one single integrated agency for the regeneration of land and property throughout England. Launched in April 1994 with initial funding of £250m, it has six regions with a central support function to stimulate investment and create jobs through reclamation of unused land or buildings and promotion of subsequent development opportunities. A senior appointment with professional development opportunities to head up a dynamic financial control and planning team in this powerful new organisation.

THE ROLE

- Reporting to the Finance & Administration Director, responsible for controlling expenditure, ensuring compliance with Government guidelines. Responsible for implementation of IT strategy.
- Co-ordinate the six regional budgets, assess progress and recommend action as appropriate, provide strategic input to the corporate planning process.
- Work with the Regional Directors to develop control procedures and oversee the implementation of new financial systems to efficiently and effectively deliver a £250m programme.

THE QUALIFICATIONS

- A qualified Accountant or alternatively a property or construction professional with at least ten years' experience of controlling expenditure on major projects.
- Excellent analytical and problem solving skills ideally acquired in the private land development or property sectors with systems design and implementation experience.
- A creative and innovative individual with an enthusiastic and energetic style. A skilled administrator who is able to make a positive contribution to results and to influence at Director and Regional level.

Leeds 0532 307774
London 071 493 1238
Manchester 061 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to: Selector Europe, Ref. F1156074Y, Gladstone House, Roberts Close, Lawnswood Park, Leeds LS16 6QY

YOUNG FINANCE DIRECTOR

City — **Circa £60,000**

This is an exceptional opportunity for a graduate qualified chartered accountant. You will probably be in your early to mid 30's, Big 6 trained and looking for your first F.D. position.

You will report directly to the Managing Partner of this highly successful, leading law firm, and be a key member of the firm's seven man executive.

You will have total responsibility for all financial and accounting matters with a small staff reporting to you. Not only will you have a free hand to structure, build and develop your team, but you will be expected to review current financial management information and systems, make your own recommendations to the executive and implement these.

Working closely with the Managing Partner, you will provide him with the financial support he needs both to run the firm even more efficiently and help develop further its strategy for the next five years.

You must enjoy the cut and thrust of a pragmatic and competitive professional environment where your peer group will be the young and highly successful partners of the firm. If you feel you can match this exciting challenge, please send a comprehensive CV quoting your current remuneration package and daytime telephone number quoting reference 3405 to Bruce McKay, Touche Ross Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Touche Ross

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MANAGEMENT CONSULTANTS

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National Exhibition Centre

Director of Finance

BIRMINGHAM — **c £65,000 + BENEFITS**

The National Exhibition Centre Limited is a company jointly owned by Birmingham City Council and Birmingham Chamber of Commerce and Industry. It is responsible for the management of the National Exhibition Centre, NEC Arena, International Convention Centre, Symphony Hall and the National Indoor Arena. These facilities are the largest, busiest and most versatile event facilities in the UK and outstanding in Europe. Turnover is currently around £85m.

Reporting to the Chief Executive you will initially work alongside the present Director of Finance and then succeed him on his retirement. Early priorities will be to understand the complexities of the business and review structures, systems and controls. You will play a major commercial and strategic role in contributing to overall corporate direction, improved performance and the evaluation of new business opportunities.

A qualified accountant, you will have a record of providing tight financial control and direction in customer responsive businesses. Systems literacy and the ability to manage change must be well proven. A strong commercial focus, backed by excellent communication, presentation and team building skills are indispensable requirements.

The National Exhibition Centre Limited is committed to equality of opportunity.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to David Owens, Coopers & Lybrand Executive Resourcing Limited, 43 Temple Row, Birmingham B2 5JT quoting reference D484 on both envelope and letter.

Coopers & Lybrand | Executive Resourcing

European Group Commercial Accountant

SILCOCK EXPRESS HOLDINGS LTD — **COMPETITIVE PACKAGE**

Silcock Express Holdings Ltd is the automotive distribution sub-group of Tibbett & Britten Group Plc which itself is a rapidly expanding logistics and distribution group with many "blue-chip" clients and a high contract base of business, employing over 10,000 people in the UK, Europe, North America, Africa and the Far East and having a turnover in excess of £400m per annum.

Silcock has recently acquired a major UK competitor and formed joint ventures for Channel Tunnel operations and inter-modal activities in Germany and throughout East and West Europe.

The appointment of a Group Commercial Accountant is in recognition of the increasing emphasis being placed on transnational operations within Europe. Reporting to the Silcock Group Finance Director, who is based in Essex, UK, you will spend a substantial amount of time at subsidiary companies across Europe. You will play a key role in business and contract evaluations; the provision and analysis of management information; strategic planning; business performance reporting; profit improvement and implementation of change.

The position requires a qualified accountant with approximately 10 years' post qualification experience, able to demonstrate practical experience in the financial and commercial management of a multi-national company with multi-site operations - preferably in a transport/distribution environment. Fluency in English and German is a prerequisite and fluency in French is highly desirable. Your home base need not be the UK, and the remuneration package will reflect this flexibility.

Please send full personal and career details, including current remuneration and daytime telephone number, in confidence to Torrance Smith, Coopers & Lybrand Executive Resourcing Ltd, 1 Embankment Place, London WC2N 6NN, quoting reference TS1021 on both envelope and letter.

Manufacturing Accountant

Major Media Group

London — **c.£50,000+Car+Benefits**

Our client is a prominent, fast moving UK plc which occupies a pre-eminent position in publishing and other media. Attention has recently focused on maximising the effectiveness of the manufacturing/production area of the business. As a result, the Group wishes to appoint an experienced accountant to provide financial expertise and play a crucial role in improving management information, reducing costs and eliminating inefficiencies.

Representing the central finance function, but located at the sharp end of the production process, you will need to relate equally effectively to head office finance professionals and local operational staff. Critical tasks will include spearheading the introduction of appropriate costing systems, identifying key performance indicators and acting as a financial sounding board for the production department.

You are likely to be a graduate ACA/ACMA, aged 35-45, with at least ten years' experience in a large, sophisticated manufacturing environment and a demonstrable record of implementing change, including cost-saving initiatives. Exposure to products with a short shelf life would be advantageous. This is a highly demanding role requiring strong accounting skills and familiarity with state-of-the-art production costing systems, complemented by broad commercial awareness and a tough, results-driven approach. Success in this position will undoubtedly lead to further progression into a more senior general management or finance role.

Please write to Tim Knight, enclosing career/salary details and quoting reference TCK/MB.

KPMG Selection & Search

1–2 Dorset Rise, Blackfriars, London EC4Y 8AE

FINANCIAL CONTROLLER

North East — **to £35,000 + Bonus**

Our client is a £50 million turnover manufacturer of high quality electrical component products for a variety of industrial and commercial uses worldwide. The company is a market leader in its field and an ongoing programme of investment allied with a philosophy of continuous improvement will ensure that the impressive growth achieved to date is continued.

They now seek to appoint an outstanding young Financial Controller, who, reporting to the Head of Finance and heading a high calibre team, will assume responsibility for the day to day running of the finance and associated functions with the ultimate aim of profit improvement. The role is both broad and proactive and positive participation in the business is a high priority.

Candidates aged in their late twenties or early thirties will be graduate qualified accountants who can demonstrate a track record which encompasses management as well as technical skills ideally gained within a fast moving manufacturing environment. Highly motivated, the individual must possess the drive, initiative and commercial flair required to make an impact in a dynamic business. Development prospects are excellent.

Interested applicants should write to Fred Howie, Managing Director at Northern Recruitment Group, Vine House, Vine Lane, Newcastle upon Tyne NE1 7PU. Telephone 091 261 6940. Fax 091 261 8466. Please quote reference FH6274.

NRG

FINANCE & ADMINISTRATION DIRECTOR

Exciting Opportunity with new Housing Association

c £40,000 + car — South Midlands

This is a first class opportunity for a Finance Professional to play a key role in the development of the Elgar Housing Association. The Association has been formed to take over the stock of Malvern Hills District Council and will be the major provider of affordable, rented housing in the area. Its prime objective is to deliver the highest quality housing services to tenants in some 5,000 homes. The Association has ambitious plans for future development.

The Association

New organisation based in the Malvern area.
Emphasis on the highest quality housing services & tenant involvement.
Ambitious development strategy.
Total support from local Board of Management.
Enthusiastic & professional management team.

The Role

Supporting the Chief Executive.
Working as a member of the management team building the Association.
To develop and implement sound financial & administrative policies & strategies.
Raising funding & development finance.
To set up and maintain "leading edge" IT systems.
To recruit and manage a professional team (covering finance, company secretarial, IT and personnel).

The Person

A senior qualified finance professional.
A self motivated team player.
With the drive & commitment to make it happen.
With a wide range of interests & who can support & identify with the objectives of the Association.
Hands-on experience of setting up business structures & business development.
Experience of Board reporting.

To Apply

Information pack available. Phone 0684 892700.
Closing date 26th July, 1994.
Full CV and application letter to:
Chris Almgill
Elgar Housing Association
Portland House, Church Street
Malvern, Worcs. WR14 2BB
Closing date: 26th July

ELGAR

Qualified Management Accountant

Expanding building maintenance company in Walthamstow area. Experience in high volume, low value transactions required. To develop managerial performance and costing information. Salary negotiable.

CV to Box A2111, Financial Times, One Southwark Bridge, London SE1 9HL.

APPOINTMENTS WANTED

F.C.A. (37)

English Chartered Accountant seeks a senior finance/general management position, based in Essex/London area. Just completed 4 years overseas experience.

Write in confidence to Box A2110, Financial Times, One Southwark Bridge, London SE1 9HL

The National Autistic Society

Director - Finance

NW London — £35 – £40,000 + benefits

The National Autistic Society owns and manages six schools and six adult centres in the UK. In addition to promoting professional and public awareness of the needs of those who live and work with autism, the Society provides training, advisory and information services and maintains and encourages research. The Society has an income of £14m and employs 550 staff.

As a result of the Society's rapid and continuing growth, and in order to allow increased efficiency, there has been a restructuring at the head office. This has led to the opportunity for an experienced and creative finance professional to join the Senior Management Team. Assisted by five staff, you will be responsible for managing all the Society's financial affairs, including those relating to project development, and playing a key role in the Society's strategic development.

This challenging and rewarding role requires a committed, dynamic and energetic team player. You must be a qualified accountant with at least ten years' broad experience gained at management level within a progressive, service led organisation. Although experience in the voluntary sector is not essential, you must have, or rapidly acquire, a clear understanding of the issues currently affecting charities. A strategic thinker, with a practical, commercial approach, you will have excellent interpersonal skills and the ability to build effective working relationships with a wide range of people.

Closing date for applications – 29 July 1994

BDO

To apply please send a CV with salary details quoting ref 1737 to Richard Holland (071 489 6244).

BDO Consulting, 20 Old Bailey, London EC4M 7BH

ALPS

RECRUITMENT CONSULTANTS GROUP
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Fax No. 071-256 8501

Opportunity for a 'hands on' and 'make it happen' accountant used to managing change effectively who will be a key member of the management team

DIVISIONAL ACCOUNTANT

EAST MIDLANDS — **package £32,000 - £37,000 + car**

DIVISION OF LEADING INTERNATIONAL ENGINEERING GROUP. T/O IN EXCESS OF £200M

We invite applications from qualified accountants, ACA, ACCA, CIMA, probably graduates, aged 30-35, who must have had at least 6 years' post qualification experience in an engineering environment with a world class company. Exposure to batch production will be an advantage. You will report to, and work closely with, the Divisional Chief Executive and be responsible for the full range of accounting activities including: management accounts; product costing and financial accounting. However, there will be a strong focus on developing and implementing management accounting systems suitable for an increasingly innovative and market led engineering environment, experience of which will be an advantage. During the first 3-6 months you will work on a special project devising and installing a new product costing system for an important range of specific contracts. Essential personal qualities are the ability to motivate and drive forward an enthusiastic accounts team, to be a manager of change and to have an enquiring business mind. Initial remuneration package negotiable £32,000 - £37,000 by way of high base and management bonus, car, contributory pension, medical scheme and removal expenses if necessary.
Applications in strict confidence, under reference DA236/FT to the Managing Director, ALPS.

Listed Group Finance Director

CONSTRUCTION INDUSTRY PLC

c£60,000
PLUS BENEFITS

NORTHERN ENGLAND

Our Client is a major fully quoted Group of Companies engaged in *construction, development, and civil engineering. It now seeks to recruit an* experienced, ambitious Finance Director.

The successful candidate will be a key member of the Executive Board and will play a major role in the management and profitable development of the Group. In addition to ensuring the financial integrity of the business and the provision of timely, accurate management information, the Finance Director will be heavily involved in strategic and commercial decision making. He or she will also strengthen the financial awareness of managers and directors at Group and at Divisional levels.

Applicants will be technically superior Chartered Accountants who can demonstrate substantial commercial and financial management experience, within a public group of companies. *City liaison experience and familiarity with* the commercial aspects of the construction, or an allied, industry would be particularly advantageous. A hands on approach, personal strength and excellent communication skills are essential.

If you meet the requirements of this demanding position, please send a comprehensive curriculum vitae to Howgate Sable & Partners, Arkwright House, Parsonage Gardens, Manchester M3 2LF. Tel: 061-839 2000, Fax: 061-839 0064, **quoting ref: F.T.1024.A.** Closing date for applications: 23 July 1994.

Howgate Sable
SEARCH AND SELECTION: EXECUTIVES AND INDEPENDENT DIRECTORS

Treasury Analysis & Support

Leading Banking Group

London

To £35,000 + Bonus + Car + Banking Benefits

Our client, a major banking organisation with an outstanding record of profitable growth, holds a leading position in the world of financial services. Dealing in a comprehensive range of financial products, it has achieved enviable successes through innovation and expertise. In recent years it has established one of the UK's leading bank treasuries and it is within this division that two excellent opportunities have arisen for experienced treasury professionals.

With responsibility for a small team, both roles will require extensive technical knowledge of treasury products, particularly fixed interest instruments. Key responsibilities will include the in-depth analysis of portfolio results and periodic accounting and both will require extensive front office liaison. In addition, the successful individuals will be required to provide innovative solutions to treasury accounting issues as they arise.

Probably aged 27-32, ideal candidates will be qualified accountants, with at least two years post-qualification experience of a banking environment. A significant proportion of this time must have been spent within a product control function. Alternatively, candidates may be working within Public Practice and have extensive exposure to financial markets. Strong interpersonal skills, a high degree of professionalism and the ability to work to tight deadlines will be essential. These high profile roles will also require proven leadership skills and the ambition to succeed in an environment at the leading edge of banking.

Interested applicants should write, in the strictest confidence, to Guy Townsend or Paul Marsden, at the address below, quoting Reference GT 333.

WALKER HAMILL
Executive Selection
29-30 Kingly Street, London W1R 5LB
Tel: 071 287 6285
Fax: 071 287 6270

An Influential Board Appointment with a premier US Corporation...

CHIEF FINANCIAL OFFICER

To US$150,000 + Benefits + Relocation

MOSCOW

With global revenues in excess of US$12 billion, our client is one of top 60 corporations in the USA. Operating at the forefront of telecommunications and multi-media, the company boasts an enviable record of growth and continues to pursue on aggressive acquisitions and development strategy, firmly establishing the company as a major market force in telecommunications.

To exploit the considerable potential in Central Europe and to support an exciting portfolio of joint venture businesses and to direct future investments in the Russian Federation, the client has created a Russian based holding company which requires an energetic Chief Financial Officer.

Reporting to the Company President in Russia, the appointment will assume executive responsibility for directing the corporation's commercial and investment strategies, whilst working closely with the subsidiary companies to define and influence the development of financial controls, systems and procedures.

A qualified MBA/Accountant, the successful candidate will demonstrate a proven track record in an international business environment, where you will have already achieved notable success as a Senior Finance Executive. You will now want a challenging board role, with the authority and responsibility to influence the strategic growth of the company.

Whilst knowledge of Russian would be advantageous, candidates who demonstrate the desire to succeed, ambition and the willingness to relocate to this exciting market place should contact **Mark Stewart**, in strictest confidence, at **FSS Europe, Charlotte House, 14 Windmill Street, London W1P 2DY.** Tel No: **(44) 71 209 1000** (days) or **(44) 256 810266** (eves) Fax No: **(44) 71 209 0001.**

FSS EUROPE

BUSINESS SYSTEMS MANAGER

Exceptional Opportunity for Qualified Finance Professional

CENTRAL LONDON

c.£45,000 + Bonus + Car

Our client is a publicly quoted major international engineering group operating in 45 countries and with a turnover approaching £1 billion. An excellent opportunity has now arisen for a qualified finance professional to support the strategic and operational development programme currently in place.

Reporting to the Head of Group Audit your varied brief will include undertaking high-profile reviews of Group Systems worldwide and evaluating their continued relevance to business needs. You will advise company management on systems implementation and provide independent progress reports. The ideal candidate will therefore, require the following:

- Have a knowledge of business process re-engineering techniques.
- Graduate, qualified ACA/CIMA with at least 3 years PQE.
- Have had exposure to senior management in a rapidly changing environment.
- Have a diplomatic, flexible and persuasive approach, and the ability to cope with the many cultures of a truly international organisation.

This is a high-profile role requiring overseas travel to Europe, the U.S.A., Australia and the Far East. A high degree of commercial acumen is required combined with the ability to exploit the outstanding longer term career prospects available. These could be within the U.K. or overseas.

Interested applicants should write in confidence to **Andrew Livesey**, quoting reference number **2081** at Nicholson International [Search and Selection Consultants], Bracton House, 34-36 High Holborn, London, WC1V 6AS. Alternatively fax your details on **071 404 8128** or call **071 404 5501** for an initial discussion.

NICHOLSON INTERNATIONAL UK

France Italy Holland Spain Germany Belgium Turkey Poland Czech Republic Hungary Romania Russia Australia

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LLOYD MANAGEMENT

Rapidly expanding hi-tech group

YOUNG ACCOUNTANT

London

c£28,000 + car

Our client is a major force in its market-place. *Manufacturing* a range of highly regarded high technology products, the £60 million turnover group is forecasting continuing expansion both in the UK and internationally.

An important member of the financial team, the successful candidate will gain broad experience in a dynamic environment. As Financial Controller of the main operating company, he or she will prepare and analyse financial and management information, supervise and motivate a small department and ensure 'control' and 'quality'. As a focal point for operational management the Financial Controller will have the opportunity *to participate in commercial decisions* and the development of the business.

Likely to be aged in their mid 20s, applicants should be qualified accountants with 1-2 years post-qualification experience gained in the profession or industry. Excellent communication skills and computer literacy are necessary.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/104/F.

Engineered Products

Director of Finance

Circa £40,000 Plus Bonus — North East England

The company is part of a £500 million turnover group with manufacturing and marketing activities worldwide. The Group is global market leader in one product area and a major competitor in other products. The UK business manufactures both high volume product and major project contracts for industrial users in domestic and export markets. Organic growth will double sales in the next three years.

THE APPOINTMENT

- Develop business strategies and forecasting models.
- *Implement strong financial controls, management and* costing systems.
- Manage IT development and ensure MIS to support commercial decisions.
- *Ensure project contract terms conditions and costings are* fully evaluated.
- Responsible for treasury and tax.

THE REQUIREMENTS

- Graduate accountant, probably aged 35 plus.
- Experience in manufacturing industry.
- Commercially astute with first class interpersonal skills.
- Highly analytical with excellent systems design and implementation experience.
- Hands-on performer, liaising closely with factory management..

Please apply in writing with a full CV and salary details, quoting reference 90763/A, to Nigel Rose.

K/F Associates, Regent Arcade House, 252 Regent Street, London W1R 5DA.

K/F ASSOCIATES
Selection & Search

FINANCIAL CONTROLLER, RETAIL ORIENTED BUSINESS

To combine professional strength and real commercial understanding

c. £27,500 + car — North London

Renowned for a high level of personalised service in a premium, retail oriented market, this company, a subsidiary of a major plc, already has more than a dozen shops in Central London, supported by a production unit making use of the most modern specialist technology; more shops are planned, to satisfy the growing demand. We are looking for a Financial Controller to report to the MD, with responsibility for all aspects of the computerised finance function, including the preparation of the business plan, budgeting, both management and statutory accounts, and credit control. However, the job goes far beyond the provision of accurate figures; the appointee will carry out a detailed cost review of each activity, will analyse and contribute to *proposals for new shop* openings and the appropriate capital expenditure, and will be expected to make the most of a new EPOS system. Ideal candidates will be qualified accountants with a retail or manufacturing background, who enjoy both hands-on involvement and the wider commercial contribution *required in a small* but growing company.
Please send full career details quoting reference WE 4112 on both letter and envelope and a telephone number at which we can contact you to make interview arrangements quickly, to Judy Brasier, Ward Executive Limited, 4 - 6 George Street, Richmond-upon-Thames, Surrey TW9 1JY.

WARD EXECUTIVE
LIMITED
Executive Search & Selection

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cDM180,000 + Banking Benefits

FRANKFURT

an exciting newly created role – international securities group...

HEAD OF PRODUCT CONTROL

Drive, motivation, commitment and highly developed analytical skills, are the essential qualities needed to fulfil this key role at one of the world's foremost investment banking institutions.

Within the already established Frankfurt operation, this new position will allow an experienced accounting professional to develop and restructure both the systems and reporting approach in a highly sophisticated and dynamic environment. The role will entail working closely with the local front office responsible for bonds, equity derivatives and syndications, as well as senior management in the trading and finance areas in London and New York.

Candidates should clearly demonstrate an impeccable academic record combined with 2-3 years relevant experience gained at an international banking or securities house or, alternatively, within the profession.

Highly developed communication skills are essential, although fluency in German is not a pre-requisite.

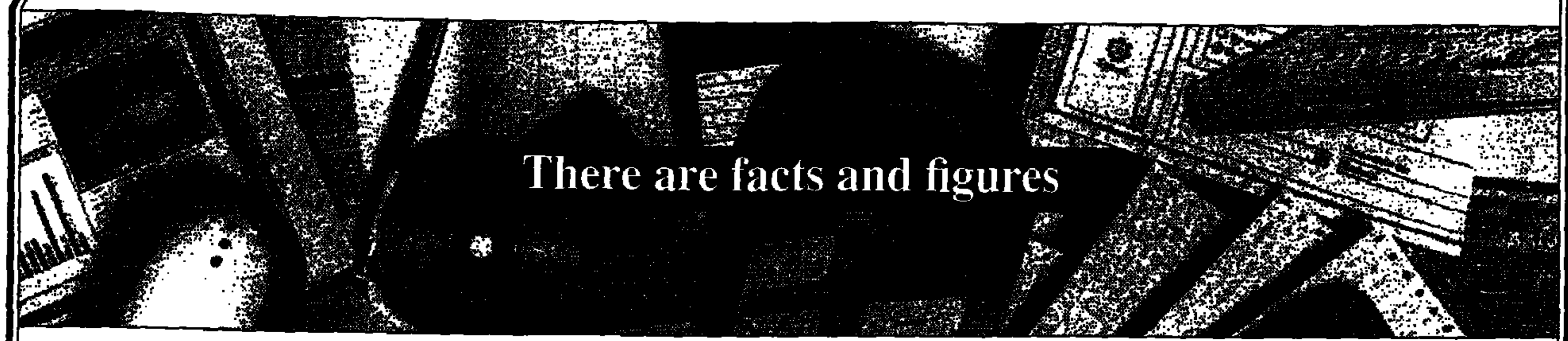
This is a rare opportunity for an individual to enter into a high profile role, where the level of responsibility and influence is significant. The ability to act decisively and provide effective solutions is paramount and will afford the successful individual outstanding further career development within the global organisation.

Interested candidates should contact **Jacqueline Long** on **(44) 71 209 1000**, eves & weekends **(44) 474 874473** or write to her enclosing a CV at **FSS Europe, Charlotte House, 14 Windmill Street, London W1P 2DY, United Kingdom. Fax: (44) 71 209 0001.**

FSS EUROPE

Coopers & Lybrand

SYSTEMS ACCOUNTANTS FOR CONSULTANCY



And there's clear vision

Relevant, up-to-date management information is vital to the success of any organisation. In isolation, however, it is a blunt instrument. Used alongside broad commercial vision and clear business insight, it becomes a powerful corporate enabler. One of the UK's leading firms of management consultants and accountants, Coopers & Lybrand works with an impressive range of industry names on performance-critical projects. Projects which aim to give our clients a significant business edge in complex, competitive markets.

Clients turn to us not just because of our name, but because of our people. Our consultants work in multi-disciplinary teams, on major systems implementation exercises. Working closely with clients, they manage change on a planned and structured basis, with a view to creating better businesses.

Likely to be working currently as a systems accountant, you should be a graduate with a professional qualification and at least five years' blue-chip company experience. This experience which must have included major involvement in systems implementation projects.

Whilst your technical expertise is important, it is perhaps only half the story. As a consultant, you'll need to develop productive working relationships with some demanding, discerning clients. They'll expect you to have impressive professional credibility, the ability to communicate successfully to a wide audience, the capacity to listen, analyse, recommend and then deliver. Above all, they expect, and get, results.

You'll be working alongside exceptional colleagues in a culture which both supports and demands.

In a role which calls for flexibility and adaptability, you'll find yourself working in a variety of locations, possibly abroad.

The role of consultant does not suit everyone and you should think hard before applying. For those it does suit, however, this is a rich opportunity of building and sustaining long term client relationships, whilst working on pivotal business issues. That is, if you can see further than facts and figures!

If you feel you can add to the strength of our team, please write with full career and salary details, to Steve Bevan, Coopers & Lybrand, 1 Embankment Place, London WC2N 6NN, quoting ref. FT092.

Solutions for Business

Qualified CIMA — **Central London**

FINANCIAL CONTROLLER - CIRCA £40K

We are a young dynamic company with a current turnover of £15M and poised for growth.

We urgently need to appoint a Financial Controller who:

- Is enthusiastic and ambitious
- Has proven man management ability
- Can develop a small, effective and forward looking finance function
- Is assertive
- Is resilient and committed
- Possesses strong negotiating skills
- Has excellent IT skills
- Is technically strong
- Is 28 to 35 years old with at least 2/3 years post qualification experience
- Operates with a hands on approach

To provide:

- Timely financial and management reporting
- A significant contribution to the management team
- Positive input towards optimising business performance
- Cost management expertise including standard costing
- Drive in further developing, implementing and enhancing management information systems.

If you match, please send your CV to our advisors, including your current salary and notice period by the 22nd July 1994, quoting RD264 to:

Dawn Skinner, Latham Consultancy Ltd., 7 Kenrick Place, London W1H 3FF

NEWLY QUALIFIED ACA

Package : Circa £25K + Benefits

Based at Docklands head office, Woodchester Crédit Lyonnais plc, part of Crédit Lyonnais Group, is seeking to appoint a Profit Planning/Technical Accountant. Responsibilities will include pricing strategy in the financial markets, being influential in ensuring compliance with the latest technical standards issued by both accounting and other statutory bodies and the evaluation of new products and opportunities.

The successful candidate must have an extensive knowledge of budgeting and taxation, excellent technical ability, a high level of numeracy and comprehensive communication skills.

The position will provide considerable interest for an ambitious person who is prepared to develop the role in a successful and expanding company.

Please note that a no-smoking policy operates throughout the company. Please apply in writing, enclosing your C.V. to the Personnel Dept, Woodchester Crédit Lyonnais plc, Woodchester House, Selsdon Way, Docklands, London E14 9GL

WOODCHESTER CREDIT LYONNAIS

Finance Director

Engineering
c. £36,000 + car
Oxfordshire

Part of a quoted engineering group, our client supplies engineering components to leading automotive manufacturers. Due to the rapid expansion of the company, a capable and energetic professional is now required for this challenging role.

As a member of the executive team you will play a key role in providing strong financial management to support the development of the company. You will have responsibility for all accounting and finance matters and the development of new management information systems.

Aged 25-35, you will be an ambitious ACMA with experience in a fast moving competitive industry. Technical experience, strong personal presence and experience with the introduction of new accounting / manufacturing I.T. systems will be essential.

Salary and bonus will give an earnings package of around £36,000 and other benefits will include a fully expensed car and medical insurance.

Relocation assistance will be given where appropriate.

Please write with a comprehensive CV, quoting reference 520/FT to: David Morris, Morris Hoare & Associates, Snuff Mill Warehouse, Park Lane, Bewdley, Worcestershire, DY12 2EL. Tel: 0299 401600 Fax: 0299 401610.

MORRIS HOARE & ASSOCIATES

EXECUTIVE SEARCH AND SELECTION

OPERATIONS REVIEW
City
£32,000 + Car

Exciting opportunity to join a small, high profile team at one of the UK's premier Fund Managers. Duties include risk-based auditing and management reviews, systems development and a significant number of special projects. Candidates, aged 26-30, will be ACAs (first time passes) with post-qualification experience of Financial Services auditing, possibly outside the profession.

CORPORATE/ PROJECT FINANCE
City
£32,000 + Bfts

Top European Merchant Bank has opportunities for two outstanding, recently qualified ACAs with extensive exposure to special work. Current activity includes major infrastructure projects in developing countries and cross border M&A work in Europe. Career prospects are first class for dynamic individuals with imposing personalities and exemplary professional records. A second language would be advantageous.

FINANCIAL ANALYSIS
London
£30,000 Pkge

Household name Plc seeks a newly qualified ACA with an exemplary academic record for a broad, project-based role, encompassing strategic and operational planning, management and statutory reporting, competitor analysis and corporate financial issues. This highly visible position offers an excellent introduction to finance in a commercial environment for a committed, enthusiastic professional.

For further information please telephone on 071-831-2323 or send your CV to Hudson Shribman, Vernon House, Sicilian Avenue, London WC1A 2QH. (Fax No. 071-404-5773).

HUDSON SHRIBMAN

Corporate Development Manager

Industrial/Manufacturing PLC
c. £65,000 + Car

Our client is a UK-headquartered industrial Group with 75% of its £600m plus turnover generated by overseas subsidiaries. Principal activities are the manufacture and supply of components to the automotive and other industries. Based in London and reporting to the Chief Executive, the Corporate Development Manager will be responsible for managing the Group's worldwide acquisition programme. Candidates, in the age range 30-40 years, will probably be graduate accountants ideally with qualifications in law or business. Fluency in French or German would be an advantage. Industrial sector line management experience is essential together with a genuine interest in manufacturing. Strong analytical skills, intellectual robustness, self-confidence, energy, resilience and an entrepreneurial streak are required to identify and develop new business opportunities for the Group. Please reply, in confidence, with full career details to Peg Eva, as adviser to the company, at Thomson Partners Ltd., 1-11 Hay Hill, Berkeley Square, London W1X 7LF.

Thomson Partners
Search and Selection

Wagon Industrial Holdings p.l.c. is a broadly based engineering group with more than 4,000 employees at over 30 locations in the UK and Europe. Our main activities are in storage and retail equipment, engineering and automotive products.

Group Management Accountant

Attractive Salary + bonus + car . Telford

Based at our Telford Head Office, this is a fast track appointment which has arisen following internal promotion and which offers real career development opportunities.

Reporting to the Group Financial Controller you will, as a member of a small professional team, provide support to the Group Executives to enable them to monitor and enhance the performance and profitability of operating subsidiaries. Other key tasks will involve the integration of acquisitions and the development of activity based costing methodologies across the Group.

You will probably be a graduate ACMA, ideally aged early to mid 30's, with a sustained record of high achievement in a manufacturing environment. A willingness to travel and work at a variety of locations in the UK and mainland Europe is essential. Preference will be given to candidates with experience in implementing activity based costing management systems.

We offer an attractive salary, bonus, car and a comprehensive range of benefits including relocation assistance in appropriate circumstances.

Please send a full CV giving salary details and covering letter stating reasons why you should be selected to: Alan Hodson, Group Personnel Executive, Wagon Industrial Holdings p.l.c., Haldane House, Halesfield, Telford, Shropshire, TF7 4PB.

WAGON INDUSTRIAL

APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday

For further information please call:

Gareth Jones on 071 873 3779

Andrew Skarzynski on 071 873 4054

Philip Wrigley on 071 873 3351

Brian O'Neill on 071 873 4027

FINANCE AND ADMINISTRATION Oversee 6 operating European offices for US multinational parent. Responsible for accounting, finance, administration & MIS. Know US GAAP. Bilingual English/French &/or English/German. Extensive travel. Can be based anywhere in Europe. To $90K. CV to Recruiter, PO Box 55151, Van Nuys, CA 91413, USA or Fax 818-981-8505.

EXCITING CAREER OPPORTUNITY FOR A TALENTED ACCOUNTANT

C £30,000 + BENEFITS — **South Cheshire**

AromaScan plc is the worlds leading development Company specialising in the design and manufacturing of aroma analytical instrumentation and sensor technology.

Reporting directly to the Finance Director responsibilities will include:

* the production of management information
* introducing an integrated information technology system
* preparing financial information for strategic business plans and annual budgets
* the production of statutory financial statements

Candidates must be qualified accountants of graduate calibre and have had 4-5 years post-qualifying experience gained ideally within a substantial international analytical instrument organisation together with a strong track record of personal and professional achievement.

If you are attracted by the demands of this unrivalled opportunity offering exceptional career development prospects please send a comprehensive CV including salary to:

Mr W S Buck
AromaScan plc
Electra House
Electra Way
Crewe CW1 1WZ

AROMA SCAN

FINANCIAL CONTROLLER — **Key role for Finance Professional**

£25-30k, Car & Benefits — **Surrey/Sussex border**

The Company

- Market leader technology company
- Multi-national company with eleven offices in seven countries
- Expanding & developing business base

The Position

- Regional financial advisor
- Broad treasury function
- Financial aspects of bid preparation
- Administrative functions
- High exposure to wide range of activities
- Familiarity with US commercial practices
- 'Hands-on' responsibility for accounting

Qualifications

- Minimum five (5) years relevant experience
- High calibre graduate with a UK recognised accounting designation
- Highly computer literate/strong analytical skills
- Team leader, excellent inter-personal skills
- Highly self-motivated.

Applicants should forward CVs including salary history to:

Box A2108, Financial Times, One Southwark Bridge, London SE1 9HL

APPOINTMENTS WANTED

AUDIT/ OPERATIONAL REVIEW

MSc/CIMA/MBA

Extensive international operational auditing, at board level, IT and line experience in MANUFACTURING, RETAIL and CONSTRUCTION. Controls and business improvement.

Let me set up the function or provide temporary cover or work independently.

Tel/Fax: 0604 758367

FINANCIAL CONTROLLER

British Chartered Accountant, 41, Big Six-trained, currently with highly successful German subsidiary of U.S. direct selling fmcg group, PC and IMB AS/400 literate, hands-on experience of GAAP reporting and financial modelling, wishes after two years in France and nine years in Germany to return to U.K.

Please write to Box A2109, Financial Times, One Southwark Bridge, London SE1 9HL

Internal and Systems Audit Manager

WEST SUSSEX

Competitive Package

Our client, MGM Assurance, with over 140 years experience of the life insurance market, has through the continued introduction of new products and the creation of a direct sales force, consolidated its position as a leading independent financial services company.

The Company is now seeking to recruit a young and dynamic qualified ACA who can build upon the already excellent reputation of the existing team. This increasingly important role, is regarded as a business partner to line management, leading system-based audits and providing guidance both on technical controls and systems development. Reporting directly into the General Manager of MGM, this is a high profile position and candidates are likely to be from either a unit - linked life office or a financial services company.

It is expected that the successful candidate will be a top class communicator with the potential for future development within MGM.

Please forward by post or fax your CV. to Keith Tracy, Heathfield Hargreaves Ltd., Chaucer House, 6 Boltro Road, Haywards Heath, West Sussex, RH16 1BB. Tel: 0444 416636 Fax: 0444 416002

MGM assurance

HEATHFIELD HARGREAVES
LIMITED

LONDON ▪ SUSSEX ▪ NORTHAMPTON

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Philip Wrigley on 071 873 3351

Finance Director

Clothing Import and Distribution

West Yorkshire

package circa £55,000 negotiable
Equity opportunity

This £50 million turnover business, involved in the design, import and distribution of clothing is owned by its management and backed by a venture capital syndicate led by 3i. The company has excellent trading relationships with the high street chain store and department store retailers, and has developed favourable, long-term partnerships with quality manufacturers overseas. Despite the difficult economic climate of recent years, the company has shown sustained growth.

Working closely with the Managing Director, the Finance Director will be fully involved with the commercial development of the business. Key responsibilities will include the following:

- supervising the preparation of group management accounts, consolidations, interim and annual reports and accounts;
- ensuring the Board has appropriate financial and management information on which to base key decisions;
- providing management control of IT, shipping services and the BS5750 quality assurance process;
- handling banking and investor relations.

Ideally aged mid 30s to mid 40s and of graduate calibre, it is essential that the person appointed is a qualified accountant - preferably Big 6 trained. Senior financial management experience - gained outside professional practice and within a fast paced, commercial/industrial, blue chip organisation - is also essential. This must have included exposure in several of the key responsibility areas listed above, and should demonstrate an attention to detail and an ability to contribute successfully at a strategic level. Experience of managing a sizeable team, a good understanding of IT systems and hardware and an appreciation of overseas trading environments would all be highly relevant.

Suitably qualified and experienced candidates should send a full CV, in confidence, to GKRS at the address below - quoting reference number 93353N on both letter and envelope, and including details of current remuneration and availability.

GKRS
SEARCH & SELECTION
Park House, 6 Killingbeck Drive, York Road, Leeds LS14 6UF. Tel: 0532 484848. Fax: 0532 484852
A GKR Group Company

Young International Financial Director

EXCELLENT SALARY AND BENEFITS PACKAGE

NORTHERN HOME COUNTIES

A GLOBAL PERSPECTIVE

- One of the UK's fastest growing Plcs.
- A recent major acquisition; primary focus on design innovation led expansion.
- Hands-on operational responsibility with high level involvement in strategy development,- start ups; joint ventures.
- Extensive worldwide travel; a second European language preferable.
- Ideal for mid to late 20's, ACA with professional and/or industrial international experience.

Please send a comprehensive CV to Howgate Sable & Partners, Arkwright House, Parsonage Gardens, Manchester M3 2LF. Tel: 061-839 2000, Fax: 061-839 0064, quoting ref: F.T.1044.D.

Howgate Sable
SEARCH AND SELECTION: EXECUTIVES AND INDEPENDENT DIRECTORS

FINANCIAL CONTROLLER

c£40,000 package

Our client, a medium size manufacturing company in Surrey, is seeking an experienced financial controller. As a member of the management team the successful candidate will be expected to provide professional support to the operations managers and contribute to the overall management of the business. In addition, the position carries full responsibility for all financial, accounting and MIS functions.

Candidates experience must include total financial and accounting responsibilities in a manufacturing company. In addition, it is necessary to demonstrate a hands-on approach to management, a high sense of urgency and the ability to cope in a rapidly changing environment. An appropriate professional qualification is essential.

For consideration please submit your CV with salary information to:

Cray & Partners, Box A2106,
Financial Times, One Southwark Bridge, London SE1 9HL.

Corporate Finance and Advisory Opportunities

Attractive package — **Various locations**

▪ Ernst & Young is recognised as one of the world's leading firms of financial and business advisers.

▪ By constantly delivering the value that clients demand, we are enjoying a period of significant growth. In particular, our specialist corporate finance and advisory service is making a substantial contribution to this growth. Corporate finance and advisory teams located in all our UK offices provide quality advice and assistance to clients in respect of MBO/MBIs, acquisitions, disposals, Stock Exchange transactions and raising finance. Due to increased business opportunities the **Luton, Bristol, Leicester** and **Exeter** offices are to recruit managers and senior managers.

▪ In Leicester and Bristol the role will have a corporate finance bias, providing advice in connection with MBO/MBIs, acquisitions and disposals.

▪ In Luton and Exeter candidates will provide a wide range of specialist services including due diligence investigations and Reporting Accountants' work.

▪ Successful candidates will have a minimum of 2/3 years relevant experience at a senior level within a venture capital, financial institution, or an accounting environment. Bristol will particularly welcome candidates with a venture capital background. You must be a self starter, who despite rigorous time pressure, will deliver only the highest standard of work.

▪ If you have the requisite experience and stamina required to join our thriving team, then please send your career history and a covering letter stating your preferred location to Lynne Gomer, Recruitment Manager, Ernst & Young, Becket House, Lambeth Palace Road, London SE1 7EU.

ERNST & YOUNG

Financial Controller

c£40,000 package — Entertainment — London

Our client, a leading international entertainment group with a turnover in excess of £300m, has expanded rapidly in recent years. A dynamic management team coupled with innovative marketing strategies has been effective in producing accelerated organic growth, leading to substantial business opportunities globally.

There now exists a requirement to augment the management team with the appointment of a Financial Controller. Reporting to the Vice President of Finance and managing a team of accountants, the appointee will be responsible for maintaining, controlling and reporting on all aspects of the financial and management accounts of the group. This is an extremely proactive role that will involve extensive liaison with Divisional Senior Management.

This opportunity will appeal to a qualified accountant (aged 28-35) with a record of achievement to date. Experience in a similar commercial organisation is a prerequisite. A strong academic background and the ability to communicate with people at all levels, within a challenging and demanding environment is essential. Proficiency in at least one other foreign language is highly desirable.

The benefits include an attractive basic salary, car allowance, large company benefits and the potential to progress rapidly to senior management status.

Interested candidates should write, in the strictest confidence, to either Robert Walker or Brian Hamill at our London office quoting RW1431, enclosing a brief resumé.

WALKER HAMILL
Executive Selection

29-30 Kingly Street
London W1R 5LB

Tel: 071 287 6285
Fax: 071 287 6270

TAKE PRECISE AIM

TARGET THE BEST

By placing your recruitment advertisement in the Financial Times you are reaching the world's business community.

For information on advertising in this section please call:

Philip Wrigley on 071-873 3351
Andrew Skarzynski on 071-873 4054
Gareth Jones on 071-873 3779

Fast Track, High Profile

West London — **From £40,000 + Benefits**

Rapid growth, both organically and through acquisition, has established this British based Group with extensive international operations (*t/o £1 Billion+*) as market leader in its sector. A new opportunity has been created for a young (c. 30 years) commercially minded accountant.

Reporting to and working closely with the UK Finance Director you will contribute to policy decisions at the highest level. Performance reviews, competitor analysis and systems development all have to be handled with flair and imagination. Thus excellent presentational and interpersonal skills are demanded.

Much depends on your ability to combine practical experience with a high level of business acumen and strategic vision. A graduate, qualified accountant with at least two years' commercial experience you will be seeking the opportunity to have a direct impact on this outstanding Group.

Write enclosing full CV and contact telephone numbers to Patrick Donnelly, quoting reference FT/114.

PD Consultants
MANAGEMENT • SELECTION
23 Durlston Road, Kingston-Upon-Thames, Surrey KT2 5RR.

INTERNATIONAL MANUFACTURING GROUP

requires for its Headquarters in Athens

FINANCIAL CONTROLLER

The right candidate should be a Chartered Accountant between 25-35 years old. The position requires extensive travelling in Africa. Knowledge of Greek would be an advantage.

The company offers good career prospects and an attractive reumeration package.

Please write in confidence to:
Deras Group
Akti Miaouli 81,
1st floor, Office 14,
185 38 Piraeus
Tel: 418 6336 Fax: 418 6337

DERAS

BUSINESS ANALYST

Our client, a major International Medical Equipment Business, with annual revenues in excess of over $1 billion is currently recruiting for a Business Analyst.

Experienced in driving business decisions forward in a highly commercial environment, you should be:

- French speaking
- A graduate with a recognised UK Accounting designation or equivalent experience
- 3-5 years in a broadly disciplined role within a manufacturing or service industry.
- Highly computer literate/strong analytical skills
- A team leader with excellent interpersonal skills.

As a high flying individual, you can expect rapid development towards a managerial role in the company's corporate Head Quarters in Paris.

Salary: c£28,000 plus benefits package.

Apply immediately and in confidence to:

Elaine Temple,
Profiles Agency Management,
61/63 High Street, Staines TW18 4QH
or Tel: 0784 466262

PROFILES AGENCY MANAGEMENT
(AGENCIES WELCOME TO RESPOND)

FT / LES ECHOS

FRANCE SUD - 400 KFF

FINANCE & BUSINESS PLANNING...

Reportant au Directeur financier de la filiale française, en liaison constante avec les opérationnels que vous aiderez dans leurs choix, vous prendrez en main la Responsabilité du Contrôle de Gestion (process budgétaire, reporting, analyses, recommandations) d'une ou plusieurs entités dont l'Export.

ET AU-DELÀ...

Notre Groupe (USA, taux de croissance à deux chiffres, rentabilité importante due aux actionnaires) entreprend une démarche de réflexion qui laisse prévoir à deux/trois ans des opportunités internationales que nous sommes prêts à vous exposer.

Parfaitement bilingue français/anglais, une troisième langue européenne ou asiatique serait un atout. Votre première expérience professionnelle (minimum quatre ans) acquise en cabinet (audit opérationnel et certification de comptes) laisse apparaître ses limites et vous pensez qu'il est temps à présent d'intégrer l'Entreprise.

Si votre sens du contact, votre esprit réalisateur et votre enthousiasme communicatif sont réels, nous sommes prêts à vous rencontrer à votre convenance.

Merci d'envoyer votre dossier de candidature (lettre manuscrite, CV et photo), sous réf. 99801, à Media System, 6 impasse des Deux Cousins, 75017 Paris, qui transmettra.

MEDIA SYSTEM

AMADEUS

Sophia Antipolis - French Riviera

COST CONTROL & FINANCIAL ANALYST

Circa 30 000 £

We are the Europe's largest computerised Global Distribution System for the travel industry used in both travel agencies and airlines sales offices worldwide. Our workforce of around 500 people is located in the international high-tech business park at Sophia Antipolis and made up of over 25 nationalities.

Reporting to the Finance Manager, within a small operational team, you will be responsible for the preparation of budgets and financial plans, monitoring and analysis of forecasts and reports for management at senior level.

Aged 28-30, you should be of graduate calibre with a strong financial background; ideally having trained with an international audit firm and/or a multinational company with strong PC and Financial modelling skills. A flexible approach, together with excellent written and oral communication skills are essential to liaise with managers at all levels. You are perfectly bilingual and preferably, the English language is your mother tongue.

Please send letter, career resume, photo and present salary to Monique Herbet - Ref. H399/FT - ERNST & YOUNG CONSEIL - Tour Manhattan - 92095 Paris-La Défense 2.

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